

No. 11715

United States
Circuit Court of Appeals
For the Ninth Circuit.

EDGAR A. SADLER,

Appellant,

vs.

CLARENCE T. SADLER,

Appellee.

Transcript of Record
In Two Volumes
VOLUME II
Pages 337 to 697

Upon Appeal from the District Court of the United States
for the District of Nevada

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Upon Appeal from the District Court of the United States
for the District of Nevada

(Testimony of Clarence Sadler.)

Mr. Thompson: I offer Exhibit 33 for identification in evidence, your Honor.

Mr. Cooke: The defendant, Edgar Sadler, objects to the admission in evidence of Plaintiff's Exhibit 33 for identification on the ground it is irrelevant and immaterial, does not prove or tend to prove any issue of the case now on trial before your Honor, which I understand is the question whether or not a trust exists. That it is incompetent and no proper foundation laid for its admission in evidence, in that it [188] merely purports to be a letter from Alfred Sadler to Clarence Sadler and Edgar's connection with it, by signing it or the like is in no way shown. That it is hearsay as to Edgar Sadler. The objection, if the Court please, is the same as we made to previous offers of the same type, that it is incompetent and immaterial and irrelevant, because we are here trying the question of whether a trust exists, a trust in this ranch, this Diamond Valley Ranch. If Exhibit 8, which is Exhibit "L" annexed to the complaint, and which document purports to be signed by Edgar and Alfred Sadler, which signature Edgar denies, if that, being admitted in evidence, establishes a trust, then, of course, there would be no case of any sort, but I am not questioning but what it is proper to the evidence if it is legal, particularly if it is something that there might be some question about the principal piece of evidence, which in this case is that particular document, but these letters, your Honor, that have been written between Alfred and Clar-

(Testimony of Clarence Sadler.)

ence, it is inconceivable to me how they can tend to establish a trust or be material for that purpose at all, nor do I see that they can be material for any purpose. The law is settled, I attempt to say, that declarations of a co-tenant, merely by reason of being a co-tenant, are not legal evidence against the other co-tenant, but these declarations of Alfred to Clarence, or anybody, in regard to the property would not be legal evidence against Edgar, the other co-tenant of the [189] ranch, in the absence of evidence showing that Edgar authorized him. So in regard to co-trustees, assuming co-trustees is shown in the case, assuming there is any evidence upon which it might be said that Edgar and Alfred were co-trustees, the declaration of one co-trustee is not evidence against the other. They are in exactly the same place as co-tenants, so far as the rule of evidence is concerned with reference to one binding the other. That rule is laid down by Wigmore and numerous authorities to the same effect. Now with that as a starter, your Honor please, we come down to a question then of what constitutes legal evidence of a trust and then we go to the statute, Section 1527, which seems to me to circumscribe and limit court and counsel and everybody as to the type of evidence that is admissible. Section 1527 reads:

“No estate, or interest in lands, other than for leases for a term not exceeding one year, nor any trust or power over or concerning lands, or in any manner relating thereto, shall

(Testimony of Clarence Sadler.)

hereafter be created, granted, assigned, surrendered, or declared, unless by act or operation of law or by deed or conveyance in writing, subscribed by the party creating, granting, assigning, surrendering, or declaring the same, or by his lawful agent thereunto authorized in writing.”

Now we had an illustration of what seems to be a departure [190] from the authorization of the statute when the letter of Mrs. Ethel Sadler was admitted in evidence. If that had any fundamental value at all in the case, it would tend, of course, I take it to the establishment of a trust, some kind of recognition on the part of Edgar Sadler, through his wife, that a trust did exist, to make a report and furnish data and the like. My conception of the statute there would be that that matter would not be competent evidence against Edgar Sadler unless it was shown that Ethel Sadler had been authorized by him in writing, as required by law, to act as his agent in respect to the matter. The law is so broad that it is impossible to entertain any doubt as to its absolute and complete application to the situation here. “Unless by operation of the law,” of course, that has to do with partial performance. If there is a part performance the courts in equity hold that that takes it out of the statute. We haven’t anything to do with part performance here, so then we have the bald and naked provision that no evidence is admissible for the

(Testimony of Clarence Sadler.)

purpose of creating a trust over or concerning lands unless it is in writing and subscribed by the party creating the same, or by the party who is charged with it, in this case Edgar Sadler. We declared our position on the matter that there is nothing in the way of evidence, unless it is signed by Edgar Sadler, that would be competent to bind or hold him and hence these letters passing between Alfred and Clarence are just so much [191] waste paper, so far as this case is concerned. It is very possible if we reach the stage of an accounting, that that might have some evidential value, but we are not there and for the time being the only evidence I understand we are concerned with is evidence that legally establishes, or tends to establish a trust, and we know from the statute that must be in writing and must be signed by Edgar Sadler, and hence anything not signed by Edgar Sadler or by his agent, authorized by him in writing, is not admissible. So we make the objection to this and move to strike all of the exhibits that have already gone in of the same type. I think your Honor expressed the ruling to strike in one instance.

The Court: I want you to all understand that I am willing at any time, in this case or any other matter, if it be pointed out to me that I make an incorrect ruling, I have no hesitancy in admitting a mistake and striking out any ruling I might make.

Mr. Thompson: With regard to Mr. Cooke's position, your Honor, I would like to point out that for the purpose of the present argument he has

(Testimony of Clarence Sadler.)

conveniently overlooked the fact that the bulk of his answer consists of pleading of defense of laches. As I understand the law, in a case of this character the burden of proof and pleading of laches is on the defendant, but where a delay appears, the burden of going forward [192] with the evidence in the first instance is on the plaintiff and that is what we are doing at this time, explaining the delay. A defense of laches asserted by the defendant naturally assumes existence of a trust. That is the premise upon which the defense is based. Before any defense of laches is applicable, the trust must be assumed. In presenting our evidence on that phase, we must therefore assume the existence of a trust, for the purpose of determining the question of the admissibility of evidence and so assuming that, which we know your Honor has not yet decided, but it must be assumed in considering the introduction of evidence on that issue, we then are entitled to introduce evidence regarding transactions between a beneficiary and one or both of the co-trustees of a trust and that is what we are doing and have been doing for some time with these letters and from that point of view I think there is no question but they are admissible, your Honor.

The Court: I had the idea in overruling these objections strictly the objection that they violated the hearsay rule, that this might be an exception to the hearsay rule, declarations against interest. Alfred and Edgar Sadler were joint grantees or co-tenants and their interests in this land, so far

(Testimony of Clarence Sadler.)

as would appear from the pleadings and what we have had so far, their interests would be identical and these statements contained [193] in these letters, that part of the letters that refer to the ranch, to my mind could be considered as declarations against interest.

Mr. Cooke: Could I be heard a moment, your Honor?

The Court: Yes.

Mr. Cooke: Declarations against interest, I think we will concede, must be made by the party but that does not change the rule of evidence as to hearsay. Here we are not questioning but what Alfred was co-grantee in that deed, that he is a co-tenant with Edgar Sadler in the ranch. That is not questioned anywhere. I think counsel got another conception of some portion of our answer, but that is readily explained by reference to Exhibit "L." They were simply co-tenants, your Honor. Now in that relation they are no different—I suppose your Honor has had an interest with prospectors and grubstakes in mines. I have had a dozen or more of that type of partners around in the hills or elsewhere. They are co-tenants in mining property. I admit they are co-tenants. They have as much interest as I have and in some cases more interest, but I mention that as showing the relation of co-tenancy is not one of confidence or trust. Alfred Sadler could sell his interest in that property if he wanted to and inject some knew co-tenant. The relation of trust and confidence does not exist.

(Testimony of Clarence Sadler.)

In the case of mining partners of mine, they could sell their interest there and I would be confronted with some partner who could be ignorant or what not, have no say in selecting him, and hence the rule there is no relation of trust as between co-tenants, as Wigmore says, and no authority of one to bind the other and the same applies, of course, in the matter of co-trustees. Whether they are co-trustees here is the question we are litigating. We cannot very well assume that that relation is already proved for the purpose of admitting evidence of one of the trustees, but in their view, if it were admitted, if we concede that Alfred was a trustee as to the ranch and cattle and everything that could be claimed, it still leaves a case where his declarations are not legal evidence against Edgar, nor would Edgar's be legal evidence against him. We find the same illustration of a lack of the quality that is necessary, for instance, in a partnership relation where they select each other. Right in this case here, under the law, Kathryn Powers Sadler is a co-trustee with Edgar Sadler as to the ranch. She is that by reason of being a successor to the trustee.

The Court: I do not think so.

Mr. Cooke: Well, they have assumed that, your Honor.

The Court: I think I pointed that out in the opinion in the case on the motion to align the parties.

(Testimony of Clarence Sadler.)

Mr. Cooke: Well, be that as it may, the authorities are to that effect, your Honor, and this District Court so [195] held in a former case, in this Maitia case. I was with that case from start to finish and an administratrix of the deceased person automatically took charge of the property, pending appointment of some other person on motion of the beneficiaries or on application of the court or the like, but until that was done, I think it was the law, with all due respect to your Honor's view, to have that legal representative of the deceased trustee take charge of the property.

The Court: In a case of co-trustees.

Mr. Cooke: Well, yes, it doesn't make any difference.

The Court: It is not my understanding of the law.

Mr. Cooke: Well, I have not looked up that particular phase of it as to co-trustees. I say it would make no difference. Alfred Sadler was appointed there and he represented certain interests and those certain interests were entitled to have their trustee and not be foisted over by operation of law on to Edgar, so that would be filled by law, I think, by the administratrix of Alfred Sadler, subject to the right of the beneficiaries to oust that particular person and have somebody of their own selection. But I think we are going a little afield on that thing. Counsel states the reason for this evidence is not, as I understand, for the purpose of proving or tending to prove the existence of a

(Testimony of Clarence Sadler.)

trust, but for the purpose of anticipating the defense or excusing the apparent laches of [196] the plaintiff in this case, but I respectfully submit that that answer does not explain and does not answer, because you still have to have legal evidence. Anything that Edgar Sadler said to Clarence Sadler, by way of lulling him into a sense of security, of telling him, in effect, "Don't start anything, I will take care of this and I know you are interested," or anything of that sort, would be legal and satisfactory evidence establishing excuse for the long delay in connection with the suit, but to say that he can bring in hearsay statements of another brother or a stranger or of one in the position of Alfred Sadler, who is a co-trustee, co-tenant, that he can bring in hearsay evidence for the purpose of excusing his gross delay, is absolutely inconceivable because you have to have legal evidence and for Clarence Sadler to put these letters in evidence, correspondence between him and his brother, Alfred, that Edgar didn't know anything about and then say he relied upon those that they didn't bring the suit against Edgar, is an abandonment of the legal principle that evidence must be resortable to the party to be charged. That is why I still insist, if the Court please, that under no conceivable theory that the law recognizes can these hearsay statements and evidence be admissible.

The Court: The objection will be overruled and exhibit admitted in evidence as Exhibit 33. [197]

(Testimony of Clarence Sadler.)

PLAINTIFF'S EXHIBIT No. 33

Reno, Nevada
Aug. 6, 1925

Dear Clarence:

Your letter and Reba's post card received and pleased to learn that you and she enjoyed the visit to the ranch. I judge that you found out from Edgar how things stand. It appears to me that if he is only getting 400 tons of hay that the meadows need re-seeding as a 1000 tons of hay should be cut on the ranch.

I judge that if Hermann said he is not interested in the Mines, you want to get him to write you and tell Edgar so that Edgar can sell them. I think that if he can get \$8400 for some of the mines he had better sell the same. Because paying taxes and keeping up the assessment work is just a drain. Therefore if Herman told you he did not consider they they were interested, have him write Edgar and say so. Otherwise Edgar will have to go thru the process of advertise them out. I told Edgar he should have done this over two years ago. It is foolish to wait if Edgar has a chance to sell some of the mines for \$8400. Because as mining is now nothing looks as if the same is going to pick up. I say better sell. Glad to learn that you were able to get an apartment in Salt Lake City so that you expenses would not be so high. I hope you will be

(Testimony of Clarence Sadler.)

able to get an apartment in Boise. The snapshots you sent seem to be real good and everybody looks well and happy. I judge that you found Eureka a bad looking town and not much doing in the same. Going down every year. The Italians seem to own the town and no doubt hard to find a hotel unless run by an Italian.

No I am not thru with Jury duty; during the month of August no cases will be tried but cases start again in September and whether I am called remain to be seen. I have not been excused as yet. Mr. Cessna is going for a three weeks Auto trip up to Seattle and Canada. He starts about August 10.

We have not heard anything as yet in regard to our positions from Washington, It seems to be that they are all muddled up and do not know what they are doing.

I see by the papers that the President does not favor during away with the Federal Trade Commission but judge there will be a fight in Congress over the same in December.

The races are closed here and the papers claim that the concern lost money during the meet because the public did not take to the same. We have been having some real warm weather since you visit here and the same seems to continue. Plenty of people are going by Autos to the coast and mountains to get away from the same therefore the town is some what dull and quiet,

(Testimony of Clarence Sadler.)

When you write Herman do not say anything about that Edgar wants to sell or otherwise everything will be tied up again. They have stock in the company that father formed as you found out from Edgar. I guess Edgar has mother's and father's stock in the bank in Eureka. I judge that \$800 we found in the trunk after mother's death was the remainder from Prospect Mountain Tunnel Stock. If I remember Correctly there was 13000 shares of stock and sold for \$.15 per share. The same was paid in installments. I do not remember what year the deal was made but no doubt Edgar does. I thought that Bertha and mother wrote you about the same when the transaction took place.

Nothing new happening in this section therefore close with love and kisses to both of you.

You want to keep after Edgar so that the mines will be sold otherwise nothing will come from same.

As ever

/s/ ALFRED

[Endorsed]: Filed Oct. 16, 1946.

Q. Mr. Sadler, after 1931 did you have any further conversations with Edgar Sadler?

A. I did.

Q. And when did the first of those conversations occur? A. They occurred in March, 1933.

Q. Where were you at that time?

A. In Reno, at the Golden Hotel.

(Testimony of Clarence Sadler.)

Q. Was any one else present?

A. Alfred Sadler.

Q. There were the three of you there at that time, yourself, Edgar Sadler and Alfred Sadler?

A. That is correct.

Q. And what was the conversation that occurred at that time?

A. At that time both Alfred and I offered to sell our interests in the Diamond Valley Ranch to Edgar for six thousand dollars apiece and Edgar said that was a fair price and on his return to the ranch or to Elko he would talk to Mr. Hatch, the local agent of the Berkeley Farm Bank, and try to arrange for an additional loan upon the ranch.

Q. Mr. Sadler, I show you Plaintiff's Exhibit 34 for identification. Will you state what that is please?

A. It is a document I received from Alfred Sadler by United States mail. It is dated September 15, 1933, and it is addressed to "Dear Alfred" and signed "Edgar."

Q. In whose handwriting is it? [198]

A. It is in the handwriting of Alfred Sadler.

Q. Whose signature appears at the bottom?

A. At the bottom of the letter appears the name Alfred and Alfred's signature, handwriting.

Mr. Thompson: I offer Exhibit 34 for identification in evidence, your Honor.

(Testimony of Clarence Sadler.)

Q. (By Mr. Cooke): In whose handwriting is the body of that letter? A. Alfred's.

Q. I notice at the top it says, "Copy of Edgar's letter." Do you know anything about what that had reference to?

A. I presume it is copy of letter that Edgar wrote to Alfred.

Q. You understand that Alfred copied the letter that he received from Edgar and this is the copy?

A. That is my inference. I don't know; I never saw the original document.

Q. When did you first know of the existence of this copy? A. When did I know of it?

Q. When did you first know of it?

A. I have had it in my possession all of these years.

Q. Ever since it was written in 1933?

A. Yes, sir.

Q. Did you ever make any effort to find the original?

A. No, sir. I received it from my attorney in fact. I presumed he gave the facts correctly. [199]

Mr. Cooke: The defendant, Edgar Sadler, objects to the admission of the offer in evidence on the ground no proper foundation has been laid. It appears to be nothing but a copy, or claimed to be a copy, of some other letter and no satisfactory explanation made of the absence of the original. This document here is not signed by Edgar and that evi-

(Testimony of Clarence Sadler.)

dence of itself, the contents of itself, do not constitute any evidence excusing this plaintiff for the delay of some twenty odd years or more in bringing the action. There is nothing in the letter to lull him into any sense of security, so it is not admissible for that purpose.

The Court: What have you to say about this, Mr. Thompson?

Mr. Thompson: If the Court please, we are not required to account for any original in this instance. As far as Clarence Sadler is concerned, that is the original. That is the document he received from Alfred Sadler, which states it is a copy of the letter from Edgar and he copies the letter and then at the bottom of that paper there is the signature of Alfred Sadler and it ties in directly with the testimony of the conversation had regarding the property in March, 1933, to which the witness has testified. It is a business communication from one trustee to the beneficiary. So far as Alfred Sadler is concerned, it constituted a declaration against interest as to him. It also constitutes a report to a beneficiary of a trust. [200] I have never heard the rule of law to be that when two co-trustees live 500 miles apart it is incumbent upon the beneficiary to get them together in one room before he does any business with them.

The Court: Objection will be overruled and exhibit admitted in evidence as Plaintiff's Exhibit No. 34.

(Testimony of Clarence Sadler.)

PLAINTIFF'S EXHIBIT No. 34

Department of the Interior
General Land Office

Office of the Supervisor of Surveys
Railroad Building, Denver, Colo.

—copy of Edgar letter—

Eureka, Nevada,
Sept. 15, 1933

Dear Alfred:

Received your letter and contents noted in letter will go up to Elko in a few days as soon as we get second crop of hay up, and go see those people, But do not think I can get that much money as they are slow in letting loan up this way on ranches. But will try them again. Have been talking to them before but will apply for the same and see what I can get, everything tight up here no money for anything. Money for taxes is scarce and hard to get. Things look bad. Hard to make and save money for interest, taxes and enough to eat. With love to all,

Your brother,

/s/ EDGAR.

“send to Clarence”—

/s/ ALFRED.

Love to all from us and the children—

[Endorsed]: Filed Oct. 16, 1946.

(Testimony of Clarence Sadler.)

Q. (By Mr. Thompson): Mr. Sadler, when next did you have a conversation with Edgar Sadler? A. It was in October of 1933.

Q. Where were you at that time?

A. I was at the Diamond Valley Ranch.

Q. In Eureka, Nevada?

A. That is correct.

Q. What was the occasion of your being in that vicinity?

A. I was making an investigation for the Federal Trade Commission involving the wool industry and I stopped en route to Ely at Eureka and went down to the ranch.

Q. Did you have a conversation with Edgar Sadler at that time? A. I did.

Q. Was any one else present?

A. Not that I recall.

Q. What was the conversation, as you recall it?

A. The conversation was with regard to an application for a loan from the Federal Farm Bank. At that time Edgar said he had [201] talked to Hatch, the local representative in Elko, and that Mr. Hatch had told him that the jurisdiction of that office had been conferred on the Salt Lake office and that his information, that is Mr. Hatch's information, was that the Salt Lake office was strictly against making further loans on property and Mr. Hatch recommended to Edgar that no application be made for an additional loan. Edgar also pointed out that the price of farm lands had decreased so materially that it was very improbable whether a rea-

(Testimony of Clarence Sadler.)

sonable price could be obtained for the ranch if it were sold.

Q. I show you Plaintiff's Exhibit No. 35 for identification, Mr. Sadler. Will you state what that is, please?

A. It is a letter dated November 23, 1933, addressed to "Dear Clarence" and bears the name "Alfred." It is in the handwriting of Alfred Sadler and signature is in his handwriting.

Q. There are some figures on the back of the last page of Exhibit 35, do you know anything about those?

A. Yes, those are my own personal figures. I was working on some problem, I presume, and put the figures down.

Q. They were not on the letter when you received it?

A. No, sir. Those are in my handwriting. I received this letter in the mail at the office.

Mr. Thompson: We offer Exhibit 35 for identification in evidence, your Honor.

Mr. Cooke: The defendant, Edgar Sadler, objects to [202] the admission in evidence of Plaintiff's Exhibit 35 for identification, on the ground it is hearsay as to the defendant, Edgar Sadler; no proper foundation has been laid for its admission in evidence; that it is irrelevant and immaterial in any event and that the contents do not show, or tend to show that it is from one co-tenant to another. That there is nothing in it that would constitute, or tend to constitute, any reason or grounds for delay on the part of Clarence Sadler in season-

(Testimony of Clarence Sadler.)

ably commencing his action, if he had any cause of action. We repeat the objection we made to the preceding offer without repeating it at this time.

The Court: Same ruling. The letter is admitted in evidence as Plaintiff's Exhibit 35.

PLAINTIFF'S EXHIBIT No. 35

Reno, Nevada

Nov. 23, 1933

Dear Clarence:—

Just a few lines to let you know how things were going up in this section. No action as yet in regard to the Banks. Al thro the Riverside Bank paid a dividend of 20% to the depositors. The Bank of Sparks paid a dividend of 10%. The rest of the Wingfield Group are still in the courts.

Edgar is paying a visit here in Reno, the main object he is down for is to get a pair of glasses for himself.

He was over to Elko the latter part of October and saw Mr. Hatch about the loan. It seems that instead of a man from Berkeley coming to look in the matter, the government has sent a man from Salt Lake, this new man seems to be turning down the applications for loans.

As yet no man has come to the ranch to look into the matter. But Mr. Hatch told Edgar that the man from Salt Lake was turning things down right and left.

Edgar told me that the Henderson bank was offering a property with 500 head of cattle and the ranches, which comprise over 4,000 acres for \$50,000.

(Testimony of Clarence Sadler.)

He said conditions was very bad in Elko Co., the trouble now about the loan seems to be in regard to the Ranges that the different farmers claim of the Public Area, unless this matter is straightened out it will be a question of getting a loan.

Edgar says that he will go again on his return over to Elko and see Mr. Hatch.

Edward wants to thank, Bruce, Reba and yourself for the \$2. The same will be spent for something he needs. We did not give him a birthday party this year.

Floyd is still working on a government survey party out near Round Mountain, Nevada. As soon as the weather conditions get bad no doubt he will be laid off, unless something else turns up. We have been having real nice fall weather up in this section so far, the morning and evenings are chilly and one needs a fire to take the chill off the house.

Helen is working part time in regard to the Beauty business, If she earns about \$6 to \$8 per week.

Nothing else of anything of real importance happening in this section. The lawyers and business men are all complaining about conditions. The real estate men and people that rent property are having a hard time get rent or renting the property. Plenty of vacant places in Reno but it seems they do not want to come down on rent and seem to let the places remain vacant.

With love and kisses from us all to you all.

Your Brother,

ALFRED.

(Testimony of Clarence Sadler.)

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[Endorsed]: Filed Oct. 16, 1946.

(Testimony of Clarence Sadler.)

Q. (By Mr. Thompson): Mr. Sadler, I show you Plaintiff's Exhibit 36 for identification. Will you state what that is?

A. That is document dated December 8, 1933, addressed "Dear Clarence."

Q. And signed?

A. It is unsigned. It is in the handwriting of Alfred R. Sadler.

Q. How did you first receive that?

A. I received that by mail.

Q. As part of the exhibit there is an envelope under the letterhead of Eureka County Farm Bureau, Eureka, Nevada, with the name E. Sadler in the upper left-hand corner, addressed to [203] Mrs. Edgar Sadler, 418 University Avenue, Reno, Nevada. Do you recognize that handwriting?

A. I do.

Q. Whose handwriting is it?

A. Edgar Sadler's.

Q. Enclosed in the envelope is a typewritten copy of the letter dated November 22, 1933, addressed to Mr. Edgar Sadler, Eureka, Nevada, with the signature L. F. Hatch typed in. Was the envelope received through the mail with the letter in Alfred's handwriting dated December 8, 1933?

A. It was.

Q. And was the copy of the letter dated November 22, 1933, enclosed in the envelope?

A. It was.

(Testimony of Clarence Sadler.)

Q. On the back of the envelope are some figures in pencil. Whose figures are they, do you know?

A. Those are mine.

Q. They were placed there by you?

A. They were.

Q. Were they on the envelope at the time it was received by you?

A. No. I can tell you what those figures represent if you care to know. Those figures represent payments on my house and amount of interest for the purchase of my house.

Mr. Thompson: I offer Exhibit 36 for identification [204] in evidence, your Honor.

Q. (By Mr. Cooke): Mr. Sadler, on the typewritten letter of November 22, 1933, and copy from Mr. Hatch to Mr. Sadler, I note down at the bottom, "Sadler's note on this letter is as follows" with green brackets, how did those get on there?

A. I don't know.

Q. It was that way when you got it?

A. That is correct.

Q. I note the letter addressed "Dear Clarence" in the handwriting, as you stated, of Alfred, dated December 8, 1933?

A. Yes, sir.

Q. And the envelope you say contained it. Did you notice the postmark on that?

A. December——

Mr. Thompson: That is not his testimony. He didn't say that letter from Alfred Sadler was contained in that envelope. He said the copy of the letter from Mr. Hatch was contained in that envelope.

(Testimony of Clarence Sadler.)

A. This envelope bears the postmark December 5, 1933, and Alfred's letter bears December 8, 1933.

Mr. Cooke: I see that.

A. Undoubtedly that was mailed to Mrs. Sadler from Eureka and she in turn—this is just presumption on my part—and she in turn turned the letter over to Alfred, who copied it.

Q. And then he sent it to you? [205]

A. That is what I presume. Now you have as much knowledge about it as I have.

Mr. Thompson: That is what is stated in Alfred's letter, is it not?

A. I haven't read Alfred's letter.

Q. (By Mr. Cooke): How did the envelope addressed to Mrs. Edgar Sadler and the envelope dated December 5, 1933, how did they come to you? How did you get it?

A. It was enclosed with Alfred's letter.

Mr. Cooke: The defendant, Edgar Sadler, objects to the admission in evidence of the offer designated Plaintiff's Exhibit 36 for identification, on the ground that it is merely a letter from one brother to another. It is not shown to have been written by or at the authority of Edgar Sadler or that he had any knowledge of the letter from Alfred Sadler to Clarence Sadler; that the enclosure of the purported copy of the letter from L. F. Hatch to Edgar Sadler, no proper foundation for that, in fact, the original has not been called for and no reason given why the original, if it exists, has not been in evidence instead of the paper purporting to be

(Testimony of **Clarence Sadler.**)

a copy. That it is hearsay as to the defendant, Edgar Sadler. That there is nothing in the document that could legally establish, or tend to establish, a trust and nothing in the document that legally or at all would excuse the plaintiff from seasonably commencing action on his alleged cause of [206] action. It is not admissible for any purpose.

The Court: Objection will be overruled and exhibit admitted as Plaintiff's Exhibit 36.

PLAINTIFF'S EXHIBIT No. 36

L. F. Hatch
Will Bond And Insure You
Real Estate
Elko, Nevada

November 22nd, 1933.

Mr. Edgar Sadler
Eureka, Nevada.

Dear Mr. Sadler:—

Referring to your letter of November 6th, 1933, and also to the letter your brother wrote you and which you left with me, I would advise that you do not attempt to put an increased loan on your property at this time.

The new applications that have been appraised in the last two months, in many cases have been cut severely and a number have been rejected. In some cases land which had a good crop of hay growing was appraised as low as \$30 per acre, this means

(Testimony of Clarence Sadler.)

that only \$15.00 per acre would be loaned. Common old grazing land, even under fence, went as low as fifty cents an acre.

Maybe we will have some rain and by next year the appraisals will be more liberal.

I am

Yours truly,

/s/ L. F. HATCH.

L.FH: PO'N

(Edgar's note on this letter is as follows: You can see what they say about it. Cannot borrow at that rate; better give the property away.)

Dec. 8, 1933.

Dear Clarence:

Ethel brought this letter over to the house so I could read it. She left it there so I made a copy of it, to send you.

She told Kathryn that Edgar wanted it back. Therefore I judge he will not get a loan further on the ranch.

Ethel told my wife that Reinhold and his wife did not go to the Thanksgiving Dance in Eureka because they did not have cash money to buy a ticket. Conditions tough and they have sold no cattle as yet.

(Testimony of Clarence Sadler.)

(Copy of Envelope)

Eureka County Farm Bureau

Eureka, Nevada

E. Sadler

Eureka

(stamp)

10

Dec 5

1933

Mrs. Edgar Sadler

418 University Ave

Reno, Nevada

21.74		2500	
21.61		400	
21.50	60	200	
21.39	50	253.33	
21.28	30	35.22	280
21.18	20		
21.07	2		
20.96			
20.85			140
20.74			
20.62			1400
20.39			

33

253.33

1000

4

4000

(Testimony of Clarence Sadler.)

Q. (By Mr. Thompson): Mr. Sadler, I show you Plaintiff's Exhibit 37 for identification. Will you state what that is, please?

A. That is a letter dated October 9, 1937, addressed to "Dear Clarence" and signed by Alfred. It is typewritten and the signature is in the handwriting of Alfred Sadler and it was received by me through the mails.

Mr. Thompson: I offer Exhibit 37 for identification in evidence, your Honor.

Mr. Cooke: The defendant, Edgar Sadler, objects to the admission in evidence of Plaintiff's Exhibit 37 for identification on all and singularly the grounds stated in our previous objection to Exhibit No. 36, without taking time repeating it.

The Court: Same ruling. The exhibit will be admitted as Exhibit 37.

PLAINTIFF'S EXHIBIT No. 37

Reno, Nevada

October 9, 1937

Dear Clarence:—

I have not heard from Edgar in regard to my letter.

I asked him what was the amount of mortgage held by the Federal Land Bank on the property.

How many head of cattle he sold this fall. Nothing in regard to buying us out, as yet. Ethel said in her letter that the boys did not have any money to buy.

(Testimony of Clarence Sadler.)

I judge the he is sort of sore that I said he was getting along in years and might want to live in some city or town. They just finished haying the other day and put up a very fair crop of hay. Enough so there would not worry of feeding the stock this winter and spring.

I have not been able to make a visit to the ranch as yet but hope too later and secure more by talking to him. He does not care to do any writing.

Kathyran has a very bad cold and has been feeling pretty bad. The children are enjoying good health and going to school every day.

We have very nice fall weather now up here. I hope that Reba, Bruce, Shirley and yourself are all in good health. The papers said there was a nice rain down in that section.

Nothing of any special news of real importance happening up in this area.

With love and kisses from us all.

Your brother,

/s/ ALFRED.

[Endorsed]: Filed Oct. 16, 1946.

Q. I show you Exhibit 38 for identification, Mr. Sadler. Will you state what that is?

A. The first document is a letter dated October 18, 1937, addressed to "Dear Clarence," signed "Alfred." It is typewritten and the signature is in Alfred Sadler's handwriting. Accompanying it is a letter dated October 15, 1937, addressed "Dear Al-

(Testimony of Clarence Sadler.)
fred" and signed "Edgar." It is in the handwriting of [207] Edgar Sadler and the signature is in his handwriting.

Q. How did you receive this?

A. I received this through the mail.

Q. In one envelope?

A. In one envelope, yes. They were attached.

Mr. Thompson: I offer Exhibit 38 for identification in evidence, your Honor.

Mr. Cooke: The defendant, Edgar Sadler, objects to the admission in evidence of Plaintiff's Exhibit 38 for identification, consisting of typewritten letter dated October 8, 1937, from Alfred to "Dear Clarence" and yellow sheet dated October 15, 1937, signed "Edgar," addressed to "Dear Alfred," upon the ground and for the reason that the same is incompetent and immaterial, so far as any bearing on the defendant is concerned, that it does not tend to prove or establish any trust, does not tend to prove or establish any reason for the delay of the plaintiff in not seasonably commencing his suit on his alleged cause of action. That the letter from Edgar simply purports to be a statement to his co-tenant in the ranch as to the chance of borrowing money on the ranch and he is making this report to Alfred as to his lack of progress in getting the money, talking about how hard it is to get the money, and that is all there is to that. The point I am making there, there is no recognition of any sort of any interest that Clarence Sadler had. There

(Testimony of Clarence Sadler.)

is, of course, the recognition, if [208] any was needed, that Alfred was a co-tenant in the ranch. He is writing to him about buying out his interest in the ranch, but we submit all of that, and any of that, no matter how many letters might be piled on, is no excuse for the otherwise unseasonable delay of the plaintiff in this case commencing the suit. It is not admissible for any reason material in this case.

The Court: Objection will be overruled and the exhibit admitted in evidence as Exhibit 38. We will take our recess until 2:00 o'clock this afternoon.

PLAINTIFF'S EXHIBIT No. 38

Reno, Nevada

October 18, 1937

Dear Clarence:

Herewith is the letter that I received from Edgar relative the Ranch.

He has not sold any Cattle but waiting for a better price.

In fact the situation is, he has to get the O.K. from the Loan Bank before he can sell.

There are a few of the big ranches up in that section that is being sold by either the Federal Bank or by the Receiver of the banks that went under in 1932.

The weather up in this area is fine. There was a little snow on the tops of the Mountains last week.

Conditions are somewhat quiet up in this town and look as if a slump is ahead of us.

(Testimony of Clarence Sadler.)

Kathryan has a bad cold and it seems that she can't break the same. The children are enjoying fair health and going to school.

I hope that Reba, Bruce and Shirley and yourself are enjoying good health.

Nothing else of any special interest taking place up here therefore will close with love to all.

From your brother,

ALFRED.

Sadler Ranch

Oct. 15, 1937

Dear Alfred:

Received your letter last week about some information about ranch. The Federal Bank loan was \$18,000, now it is \$12,225.76 which we have to pay \$790 in a year and \$720. taxes but has been cut down on interest in the last year, and not any toward the principal was paid but it will have to be paid again soon, and did not get any from them for cattle to pay. You know yourself that it has been hard to get any money anywhere to do anything for the last 7 years, and am in luck to get by as I did. The bank took all the other places and still selling them out and you can buy all the ranch you want and good one at that for a small sum. I have not seen any cattle buyers yet as there has been a slump in everything hope to get a good price for them.

Your Brother,

EDGAR.

[Endorsed]: Filed Oct. 16, 1946.

(Recess taken at 12:00 o'clock.)

Afternoon Session, October 16, 1946

2:00 P.M.

Appearances as at morning session.

MR. CLARENCE SADLER

resumed the witness stand on further direct examination by Mr. Thompson.

Q. Mr. Sadler, I show you Plaintiff's Exhibit 39 for identification. Will you state what that is, please?

A. That is a letter dated September 24, 1937, addressed to W. R. Hooper, Assessor of Eureka County, Eureka, Nevada, and it is a typewritten letter and the signature of Alfred R. Sadler is typed and on the lower part of the letter is a statement in lead pencil in the handwriting of Alfred R. Sadler. [209]

Q. How and when did you receive that Exhibit 39?

A. This letter, the document, was received shortly after September 24, 1937, by me through United States mail.

Q. From whom?

A. It was received from Alfred Sadler.

Mr. Thompson: I offer Exhibit 39 for identification in evidence, your Honor.

Mr. Cooke: The defendant, Edgar Sadler, objects to the admission in evidence of Plaintiff's Exhibit 39 for identification for each and all of the reasons stated in the objections to previous exhibits, particularly Nos. 36, 37, and 38, to the same effect as if now repeated.

(Testimony of Mr. Clarence Sadler.)

The Court: Same ruling. It will be admitted in evidence as Exhibit 39.

PLAINTIFF'S EXHIBIT No. 39

Reno, Nevada

September 24, 1937

Mr. W. R. Hopper
Assessor of Eureka Co.,
Eureka, Nevada.

Dear Sir:

Kindly send me a Copy of the Tax List of Eureka County for the year of 1937.

Desire to check on some of the Mining Claims that have been "Patented" in said County.

I understand that a Canadian Company is doing quite a amount of work in that section.

Very truly yours,

ALFRED R. SADLER.

P. O. Box 433,

Reno, Nevada.

Clarence soon as this tax list comes, I will send same to you. I wrote a letter on my return saying it was reported they sold 800 head of cattle at \$60.00 per head. And asked him what his plans were now going to be about the ranch, whether the boys were going to run the ranch. You see the letter that came back. And if he would buy our interest in the same.

[Endorsed]: Filed Oct. 16, 1946.

(Testimony of Mr. Clarence Sadler.)

Q. Mr. Sadler, when next did you see Edgar Sadler?

A. The next visit to the ranch at the time I saw Edgar was in October, 1938.

Q. And who was with you at that time?

A. Mr. Geo. D. Casto, an associate of mine in the Federal Trade Commission of the San Francisco office.

Q. At that time did you have any conversation with Edgar Sadler regarding the ranch?

A. I did.

Q. And where did the conversation take place?

A. I believe it took place in the ranch house at the Diamond [210] Valley Ranch in Eureka County.

Q. Who was present during the conversation?

A. As I recall, Edgar and myself.

Q. What was said at that time?

A. I asked Edgar if there was any chance to dispose of the ranch and he said that ranch property at that time was being offered at ridiculously low prices and he said he doubted whether he could get a reasonable price for the ranch and he also mentioned the fact that a number of cattle raisers had lost a number of cattle on account of government order to dispose of cattle on account of some disease. I think it was mouth disease or hoof disease.

(Testimony of Mr. Clarence Sadler.)

Q. When next did you see Edgar Sadler?

A. The next time I saw Edgar Sadler was, I believe, in the spring or summer of 1939, shortly after the death of Tom Hicks, the brother of Ethel Sadler.

Q. And where did you see Edgar Sadler at that time?

A. Edgar Sadler and Ethel Sadler and Rebecca, a sister of Ethel Sadler's visited us in our home at Berkeley, California.

Q. Did those three stay in your home?

A. Rebecca stayed there for two or three days, possibly two days, and then left for Reno. Edgar and Ethel Sadler continued there to visit. The Fair was in operation and they wanted to stay there and continue and see the sights.

Q. During that visit to your home was there any discussion [211] of the ranch?

A. There was.

Q. Who was present at that time?

A. Edgar Sadler, Ethel Sadler, my wife Doris Reba Sadler, and myself.

Q. What was the substance of what was said, as you recall it?

A. We asked Edgar if there was any chance of putting the ranch on the market and selling it. He pointed out it was a bad time, inasmuch as property values were low. He doubted whether he could get a reasonable price.

Q. Do you recall any more of that conversation?

(Testimony of Mr. Clarence Sadler.)

A. We also asked him—I did—if the boys, his sons, Floyd and Reinhold, would be interested in buying Alfred and my interest in the ranch.

Q. Did he make any reply to that?

A. Well, he didn't make any direct reply that I can recall. At that time Floyd had returned to the ranch, as I recall it.

Q. Do you recall the time of Alfred Sadler's death? A. I do.

Q. Do you remember the date of his death?

A. The date of his death was on March 5, 1944.

Q. At that time did you come to Reno, Nevada for his funeral?

A. On the morning of the 5th, about two o'clock in the morning, I received a telephone call from Reno announcing that Alfred had passed away and asking if I could come up immediately [212] and I explained to the party that it would be impossible to come that day, inasmuch as there were no trains to Reno and that I couldn't drive over the summit with my car on account of the snow, but I advised them I would come up on the night train and I arrived here next morning, on March 6th.

Q. On the evening of March 6, 1944, were you present in the home of Kathryn Sadler?

A. I was.

Q. And who else was present at that time?

A. Kathryn Sadler, Edgar Sadler, Ethel Sadler, Patricia Sadler, Edward Sadler and I believe George Sadler was sitting in the kitchen. We were all sitting in the living room.

(Testimony of Mr. Clarence Sadler.)

Q. Who is George Sadler?

A. George Sadler is the son of Alfred Sadler.

Q. Do you know how old he is?

A. Well, I would say he is around 16 years of age.

Q. Who is Patricia Sadler?

A. Patricia Sadler is a daughter of Alfred Sadler.

Q. Also the daughter of Kathryn Sadler?

A. Yes.

Q. Is that also true of George Sadler?

A. Yes.

Q. He is the son of Kathryn Sadler?

A. Kathryn, yes.

Q. How old is Patricia Sadler? [213]

A. Well, I would say Patricia is a little past 18, going on 19. She is about a month older than my boy.

Q. Who is Edward Sadler?

A. Edward is the son of Alfred Sadler and Kathryn Sadler.

Q. About how old is he?

A. I think Edward is about 20 years of age.

Q. Were all those persons present at that time?

A. As I recall it, yes.

Q. And at that time did the discussion regarding the Diamond Valley Ranch arise? A. Yes.

Q. Edgar Sadler was present?

A. He was.

Q. What was said?

A. I asked Edgar, I said, "Edgar, now that we

(Testimony of Mr. Clarence Sadler.)

are all here, let's see if we can make some arrangement as to disposition of the ranch."

Q. Did he make any reply to that suggestion?

A. He did.

Q. What did Edgar Sadler say?

A. Edgar Sadler said I didn't own any interest in the ranch.

Q. Prior to that date had Edgar Sadler ever made any similar statement to you? A. No.

Q. Do you recall the conversation which you testified to which [214] took place at the Diamond Valley Ranch in July, 1945? A. I do.

Q. At that time did Edgar Sadler say to you that you didn't have anything to do with the ranch?

A. Not as I recall, no.

Q. Did he ever at that time make a statement of similar import to you? A. No.

Q. Do you recall the conversation that you had at the ranch in October, 1938? A. I do.

Q. At that time did Edgar Sadler say to you that you didn't have anything to do with the ranch?

A. No.

Q. Did he make any statement to you of similar import? A. No.

Q. How long have you been employed in the Federal Trade Commission, Mr. Sadler?

A. Well, I was appointed to the Federal Trade Commission on August 3, 1917 and I have been in its continuous employment since that time. On November 14, 1941 I was appointed attorney in charge of the San Francisco office and have been serving in that capacity since that time.

(Testimony of Mr. Clarence Sadler.)

Q. Do you have a profession? A. Yes.

Q. What is it?

A. Attorney. I was admitted in the State of Nevada in 1916.

Q. Do you and your wife, Doris Reba Sadler, have any children? A. We have two.

Q. What are their names and ages?

A. Bruce Phillip Sadler is going on 19 and Shirley Louisa Sadler is going on 13.

Mr. Thompson: You may cross-examine.

Cross-Examination

By Mr. Cooke:

Q. Did you ever live on the ranch in Eureka County?

A. No sir, I have never lived on the ranch. I have spent several summers there.

Q. Those were just visits, weren't they, Mr. Sadler?

A. In a way visits and prior to the time I went to sea I helped with the hay crop.

Q. What year did you go to sea?

A. I went to sea in 1913.

Q. Since 1918 your visits to the ranch have been those that you already testified to, is that right?

A. That's correct.

Q. One in 1925 and one in 1938?

A. And one in 1933.

Q. Three visits? A. That is correct. [216]

Q. And the one in 1925, was that the one where you were on your way to Salt Lake and you stopped off there? A. Yes sir.

(Testimony of Mr. Clarence Sadler.)

Q. How long did you stop off?

A. Well, I think we spent three or four days at the ranch.

Q. Who are "we"?

A. My wife and myself; and while we were there we went duck hunting.

Q. How much of the time while you were there did you spend duck hunting?

A. We went out twice and we also went sage hen hunting too. We went over to the Henderson ranch one day and twice we went down in the meadow for ducks one day and the third morning went over to the Henderson ranch.

Q. What was the Henderson ranch?

A. Formerly belonged to my father.

Q. To whom did it belong in 1925?

A. I don't know. I presume it was part of the Huntington & Diamond Valley Land & Stock Company.

Q. Not part of the Diamond Ranch?

A. No sir. It was in a different range, over the mountains.

Q. And on the occasion of your visit in 1933 was the one where you stopped off on your way to Salt Lake City?

A. I stopped on my way to Ely.

Q. You went on from there to Salt Lake City however, did you [217] not?

A. Eventually I went to Salt Lake, yes.

Q. Who was with you on that occasion?

A. No one.

(Testimony of Mr. Clarence Sadler.)

Q. Were you driving through the country in a car? A. Yes, sir, that's correct.

Q. You had business at Ely and at Salt Lake on that occasion?

A. I had business at Eureka and at Baker, Ely, and Salt Lake, Ogden, various points in Idaho and other towns in Nevada. I was making an investigation for the Federal Trade Commission regarding the wool industry.

Q. And you stopped off at the ranch and how long did you stay on that occasion?

A. Well, as I recall it, possibly two or three hours. I think I left Reno in the morning and I drove out there and then continued on to Ely. I got into Ely late that night, about 10 o'clock, because I had a flat tire and I went in on the rim.

Q. You say you think you spent about two hours on the ranch? A. Two or three hours.

Q. The ranch house is some little distance from Eureka?

A. Thirty miles north of Eureka.

Q. And you were alone on that occasion?

A. That is correct.

Q. Who did you see at the ranch? Who are all the persons [218] you saw at the ranch when you got there on that trip?

A. Well, I believe Reinhold was there with his wife and Ethel was there and Edgar and possibly two or three other employees.

Q. Ethel, was she there?

(Testimony of Mr. Clarence Sadler.)

A. I don't know whether she was there or not, I am not positive, because my conversation at that time was with Edgar, as I recall it.

Q. Where did your conversation at that time take place?

A. It took place in the house or on the front porch.

Q. Which do you mean, in the house or on the front porch?

A. I don't recall exactly, but I think it was in the house, I am not sure.

Q. Who were present beside yourself and Edgar?

A. Edgar and myself were the only ones present at the conversation.

Q. This is the 1933 conversation?

A. That is correct.

Q. And that talk lasted about how long, Mr. Sadler?

A. Well, I would say it didn't last over 10 or 15 minutes at the most.

Q. Did you talk with him about any other subject beside the ranch subject?

A. Yes, I talked about the wool investigation. He was very much interested in the wool investigations. I asked him who would be some good sheep men to call on and he suggested Mr. [219] Florhill in Eureka County. He says, Mr. Florhill runs sheep in Nye County in the wintertime and Eureka County in the summertime."

(Testimony of Mr. Clarence Sadler.)

Q. It is a fact, is it not, that you and Alfred and Edgar and the children of Reinhold Sadler, Sr., were interested as heirs in some mining property in Eureka? A. That is correct.

Q. Did you talk with Edgar about mining claims, chances to sell them?

A. I may have talked to him about them because we were interested in some properties on Adams Hill, and I don't know whether this conversation took place with Edgar or when the others were present, about the mine.

Q. And the conversation as a whole lasted a matter of 10 or 15 minutes?

A. The conversation with Edgar lasted about 10 or 15 minutes, but the conversation with the other group of the family amounted to more than that.

Q. To what other members of the family did you speak?

A. Well, I spoke to Reinhold's wife and Reinhold. They were very much interested in my investigation because the price of wool was down to 4 and 4½ cents a pound. The wool growers were complaining about the price.

Q. You don't claim that you discussed ranch conditions with them?[220]

A. I didn't discuss the ranch conditions with Reinhold or his wife.

Q. With nobody except Edgar on that trip?

A. I had 10 or 15 minutes' conversation with Edgar.

(Testimony of Mr. Clarence Sadler.)

Q. That related to the ranch and mining claims?

A. I don't know whether I discussed the mining claims with Edgar alone or with Edgar in combination with the group.

Q. On that occasion? A. That is correct.

Q. May the discussion about the ranch have been in combination with Edgar with other members of the group?

A. As I said before, I discussed the condition of the ranch with Edgar.

Q. The other members of the family there were not present? Were they within hearing?

A. I don't recall whether they were within hearing or not.

Q. In 1925, that is when you spent, I think you said, two or three days out there, is that right?

A. In 1925 my wife and I spent two or three days, maybe longer, maybe four days.

Q. Where were you headed for on that occasion?

A. For Salt Lake, Baker, Oregon, Portland and Seattle.

Q. On your same professional business?

Q. I was on a government assignment, yes sir.

Q. Did you stop off at any place on the [221] road? I mean between here and Ely, beside Eureka, on that occasion?

A. We didn't go to Ely on that occasion, Mr. Cooke. We went to Eureka, went to Palisade by train and from Palisade to Eureka by train and had to stop over in Imlay one night until Reinhold came up with the stage next morning and picked us up and took us down to the ranch, and we stayed there

(Testimony of Mr. Clarence Sadler.)

three or four days and then he took us out to Railroad Canyon pass and dumped us, as I would say, and we had to wait there two hours afterwards for the train, the motor coach, to come in from Eureka to go to Palisade, took the train at Palisade and then went to Ogden and then went into Salt Lake.

Q. You said something about a stage. Was he operating a stage?

A. As I recall it, they were carrying Mail and vegetables. Carried mail for the United States government from the ranch to Eureka.

Q. Where is Railroad Canyon?

A. Where you pick up the train coming from Eureka to Palisade.

Q. And that is where he left you and your wife off?

A. That is correct.

Q. Was that a convenient or proper place to leave you off?

Mr. Thompson: Objected to as immaterial.

Mr. Cooke: He used the word "dumped."

A. Well, I would say, Mr. Cooke, there is nothing there but the railroad tracks. [222]

Q. What other place could he have taken you to?

Mr. Thompson: Objected to as argumentative and also calls for the conclusion of the witness.

The Court: Overruled. You may answer the question.

A. That is the closest point to Eureka to catch the train.

Q. Was that the usual point that they used for that purpose?

(Testimony of Mr. Clarence Sadler.)

A. Well, I don't know. I had never taken the train at that point before. I always went into Eureka or Palisade.

Q. When you say he dumped you, do you mean by that he should have taken you to some other place?

A. No, what I meant there he just left us there by ourselves and we had to sit on the suitcases for two hours waiting for the train to come along.

Q. Where did the conversation take place with reference to the rooms in the Sadler house that you told about in 1925?

A. As I recall it, it took place in front of the kitchen and bedroom off the porch.

Q. How many rooms in that house?

A. Well, kitchen and living room and one bedroom on one side and I believe two bedrooms on the other side.

Q. Is that house standing there now?

A. It was the last time I was there.

Q. That was in 1938?

A. What conversation are you talking about, 1925 or 1938?

Q. I am talking about 1925. [223]

A. The house used to be an old bunk house and was converted into a house because the old house burned down on Decoration Day 1923. The farm house burned down, regular wooden structure.

Q. All right, going back to this house and this conversation, tell us who was present at the time you had conversation with Edgar Sadler on that occasion.

(Testimony of Mr. Clarence Sadler.)

A. Well, I believe Ethel, Edgar and my wife and I were present.

Q. Were they all participating in the conversation or you and Edgar doing the talking?

A. No, I think they all participated. I think most of the questions were directed to Edgar.

Q. How much of that conversation had to do with the ranch and ranch conditions?

A. Oh, I would say maybe three-fourths of it. The cloudburst came so it was discontinued.

Q. It was not resumed at all during your trip out there?

A. Well, there wasn't much discussion after that.

Q. And you say it took up about three-quarters of an hour? A. I would say so, yes.

Q. Was that whole three-quarters of an hour devoted to discussion pro and con ranch conditions?

A. Well, other subjects possibly were injected into the discussion, but the main discussions were as to condition of the [224] ranch and marketability of the property.

Q. There was just a conversation started about the ranch and what was said by Edgar and what was said by you, repeat it if you can.

A. Well, I asked Edgar about disposing of the ranch and as I recall it he said market conditions were such that if he put the ranch on the market at that time a reasonable price could not be obtained.

(Testimony of Mr. Clarence Sadler.)

Q. Do you remember anything more of the conversation with reference to that?

A. Yes, he was talking about the stock and——

Q. You mean livestock or shares?

A. Livestock, condition of the meadow, mentioned the fact that some of the barns were in need of repair and also that the winter sheds were in bad condition and the meadows, some of the land he was reseeding, and also that the people across the way, that is across the valley, had placed their ranch on the market.

Q. Is that the substance of all you can recall of that conversation?

A. That is the substance and then, as I said before, the cloudburst came and we had to drop everything and try to divert water from going through the house. As a matter of fact, a great part of it went through the kitchen.

Q. What was said by any of the other members of the party outside of you and Edgar on that occasion? Do you remember [225] that?

A. Anything about the ranch?

Q. Yes.

A. I didn't discuss the ranch with anybody except in that particular group.

Q. No, but they were present, I understood?

A. My wife also asked some questions of Edgar about disposition of the ranch.

Q. Do you remember what questions they were?

A. Well, she asked him along the same lines I did, when he could dispose of the ranch.

(Testimony of Mr. Clarence Sadler.)

Q. Did the other members have anything to say in regard to that subject?

A. Possibly Ethel said something.

Q. You don't recall?

A. Well, she may have said, "It is a poor time to sell the ranch now," as I recall.

Q. You remember her saying that?

A. Yes.

Q. And who were the other members present there? A. Edgar, Ethel, my wife and myself.

Q. Just the four of you?

A. That is correct.

Q. Now the next visit, if I have it correct, was in 1938? A. That is correct. [226]

Q. That is the next one and the last one?

A. That is correct.

Q. And on that occasion how did you come to make this visit?

A. Well, I left San Francisco with Mr. George Casto by car, for the purpose of going deer hunting, and we stopped at Winnemucca the first night and then the next day proceeded on to my nephew's ranch, Edgar Lane Plummer, and we stayed there that night and the following day went deer hunting. We stayed that night and next morning went over to the Diamond Ranch.

Q. What time in October, as near as you can fix the date, was that?

A. After the deer season was open in Eureka County.

(Testimony of Mr. Clarence Sadler.)

Q. There is no way of fixing the date any more definite to that time than that?

A. I don't know. I think the deer season opened October 15th, I am not positive.

Q. Are you sure it was during the month of October that you were there?

A. As I recall it, yes.

Q. What did this associate or friend of yours do while you were talking with Mr. Sadler?

A. My friend, Mr. Casto, was with Floyd Sadler hunting ducks down in the meadow.

Q. This conversation in 1938, about how long did that take?

A. Oh, I don't think that conversation was more than 15 or 20 [227] minutes. It was while they were in the fields hunting duck because I didn't broach the subject until Mr. Casto was absent from the ranch house.

Q. About 15 or 20 minutes you think the conversation took that you had with Edgar Sadler on that occasion? A. Yes.

Q. And was anybody else present beside you and he participating in the conversation?

A. No, I don't believe any one else was present.

Q. Where did the conversation take place, what part of the house?

A. The conversation took place in front of the living room and the kitchen, between the two places, on the porch.

(Testimony of Mr. Clarence Sadler.)

Q. Did you see any other members of the family passing through or around or near that room while you were talking?

A. Well, they were in the house, but I don't recall whether they passed in front of us or not.

Q. You are quite sure they were not in the room and didn't participate?

A. We didn't have the conversation in the room, Mr. Cooke, we had it out on the front porch.

Q. Well, you are quite sure none of them participated in the conversation, wherever it was held?

A. That is correct.

Q. Was that in the day time or night time?

A. Well, I would say in the afternoon, late afternoon, because we were duck hunting that morning and at noon came in and Mr. Casto and Floyd Sadler went down to the other part of the field to get some ducks. I think it was late in the afternoon.

Q. Go on and tell us just how the matter of the ranch subject came up for discussion between you and Edgar. What was said first and who said it?

A. Well, I asked Edgar what disposition could be made of the ranch, if it could be sold, and he said, well, it would be a poor time to put the ranch on the market at that time. It wouldn't bring a reasonable price. He pointed out that other farmers had lost considerable cattle or been paid a low price by the government on account of disease, as I recall it. He said some of them received only \$20

(Testimony of Mr. Clarence Sadler.)

per head. He also mentioned he had to dispose of some of his cattle and received only \$20 from the government for each head disposed of.

Q. Was any amount discussed for which the ranch might or might not be sold?

A. Not in the year 1938.

Q. Now you have now stated the substance of the conversation you had on that occasion?

A. Yes, I think so, because Mr. Casto and Floyd returned. They weren't gone very long, possibly an hour or maybe a little over an hour. [229]

Q. You and Mr. Casto then proceeded——

A. Stayed there that night and then went into Eureka the following morning and returned to Berkeley.

Q. The matter of the ranch or sale of it didn't come up again though for further discussion that evening, did it? A. I don't recall.

Q. The following morning you left for Berkeley?

A. Yes, and before we left Edgar asked me if I wanted to take a sack of potatoes. I said no because the California restrictions prohibited me from taking them in from Nevada.

Q. Was the subject of the expense of operating the ranch mentioned by either you or Edgar Sadler on the occasion of the talk in 1938?

A. Possibly was.

Q. Do you remember anything about it, how it was discussed?

A. Well, on various occasions Edgar said that the expenses were high and that it was necessary

(Testimony of Mr. Clarence Sadler.)

to sell cattle in order to pay the farm help and he indicated that due to the disease and the payment by the government of only \$20, it was hard to raise money.

Q. Did you on that occasion, or on any occasion, volunteer to help out?

A. I was never requested to.

Q. You knew, however, that he was at times very hard pressed for money to keep the ranch going, didn't you? [230]

A. So I understand, yes.

Q. You understood at that time, didn't you?

A. I don't know whether he made any claim for any money at that time or not. As I recall it, he never made a claim upon me for money.

Q. I am asking you if you didn't know he was struggling to get money, mortgaged the property over and over again repeatedly to keep the place going?

A. Well, he never told me of any mortgages outside the land mortgages.

Q. I am asking if you didn't know, irrespective of what he told you, from any source?

A. Yes, I know he only made two loans from the Berkeley Land Bank, one was earlier and the other came later.

Q. That is earlier than what date, for instance?

A. Well, I have a copy of the loan agreement and I can establish the date from that.

Q. Were those the only two loans that you just told us about that you knew of his negotiating to keep things going out there?

(Testimony of Mr. Clarence Sadler.)

A. I knew of the loan from the Washoe County Bank and from the Eureka and Winnemucca banks and the Land Banks.

Q. Those were in addition to the land banks?

A. That is correct. The first loan, as I recall it, was made by the Washoe County Bank at the time the decree was signed and the ranch was put up as collateral for the loan. This [231] loan was personally made by Judge Cheney. Judge Cheney personally arranged the loan because Judge Cheney told me so.

Q. Is that all you know, about what Judge Cheney told you? A. No, Alfred told me.

Q. Did Edgar ever tell you about it?

A. I didn't see Edgar until my mother died.

Q. Anyway, the loan was obtained and mortgage made to the Washoe County Bank?

A. That is correct.

Q. That is the first one?

A. That is the first one.

Q. And then you told us, as I understand it, of two more made later on through the banks and then the two land bank mortgages.

A. Later on they borrowed money from a bank in Winnemucca, as I recall, and Eureka County Bank, in order to pay off the loan to the Washoe County Bank. He had two loans, as I recall it, or two banks took the loan on the ranch.

Q. When did you learn of this, Mr. Sadler, with reference to the time they were negotiated?

(Testimony of Mr. Clarence Sadler.)

A. Alfred reported those facts to me. I don't know whether he reported them verbally or by letter.

Q. Then am I right in assuming that it is your testimony that there were five loans altogether that you knew of, secured by mortgages? [232]

A. No, there was the first loan to the Washoe County Bank and the next one, I think, was a consolidated loan in Winnemucca and Eureka Bank to take up the mortgage from the Washoe County Bank, and subsequently there was a loan from the Berkeley Farm Bank and later there was another loan from the Berkeley Farm Bank, which was paid off within a year or year and a half's time because I went through the records of the Farm Bank in Berkeley and I got the appraisal value of the ranch and all the other detail.

Q. When did you go through the records of the Berkeley bank regarding this loan?

A. Well, some time in the thirties, I would say.

Q. About what time? Was it about the date of it or shortly after?

A. No, several years after.

Q. Was that all the mortgages you have heard anything about that you told us now?

A. I learned of the chattel mortgage on the cattle that was placed with this subsidiary of the Bank of America.

Q. And about when did you learn of that?

A. Oh, I learned of that, oh within—'44, I would say.

(Testimony of Mr. Clarence Sadler.)

Q. How did you learn about it?

A. Because I went to the bank and asked if there was a loan on the cattle at the ranch.

Q. I wanted to know whether Alfred reported it or—— [233]

A. I got it from the bank directly. I think Alfred mentioned it too before that, that there was a loan down there.

Q. Those are all of the mortgages, either real or chattel, that you recall?

A. No, I recall another one now that was placed on the cattle. I don't know whether it was a loan—it was a loan, but I don't know whether it was secured by a mortgage or not. That was to Thomas Dixon.

Q. Do you remember the amount of it?

A. No sir, I do not.

Q. Do you remember about when that so-called Thomas Dixon loan took place, when you learned of it?

A. No. I don't recall the time of the year, sir, but it was in some records that I had and my mother's letters, showing the payment of this loan to Tom Dixon on cattle purchased either by Edgar or the ranch. Now I don't recall the exact details.

Q. You testified a moment ago that on the occasion of one of your trips out there, there were some employees there, is that correct?

A. He always has employees on the ranch, yes sir.

(Testimony of Mr. Clarence Sadler.)

Q. In addition to his own sons he has to hire men?

A. In the haying season he has maybe 8 or 10.

Q. How about other seasons? For instance, when you were out there hunting ducks after haying closed, were there men [234] working there?

A. There were.

Q. How many?

A. I think two, I think. One was leaving; as a matter of fact, one left with us. I don't know whether he was on the payroll or not at the time.

Q. How many were there then that you saw that you assume they were hired?

A. Two as I recall. One left with us in the car. We took him to Oakland.

Q. On other occasions, 1925 and 1933 or 1938, on the occasion of other trips, did you see any hired men working there?

A. In 1925 the haying season was on and a good many men there. Some of them accompanied us on the hunting trip in the meadows.

Q. When you say a "good many," tell us how many?

A. Possibly six or eight.

Q. Then on the other occasions of these three trips no hired men were there then?

A. On the other occasion I didn't stay long enough to see how many men were there.

Q. You were there about 10 or 15 minutes?

A. I was there longer than that because I drove in from Reno to the ranch and left and went to Ely that night.

(Testimony of Mr. Clarence Sadler.)

Q. You don't recall? [235]

A. I don't recall seeing any man that night. That was during the fall, possibly they were down in the meadow.

Q. Was that trip made in 1933 or 1938?

A. That trip was made in 1933. I was out there on a wool investigation.

Q. Did you have any information, at the time you were making these visits, as to the approximate value, probable value, or estimated value the ranch was worth?

A. Well, I went over the records of the Federal Farm Bank, went over the appraisal records and they had the property valued at 41 thousand some odd dollars.

Q. This 3120 acres of land, the Diamond Valley Ranch?

A. That is correct, and they made a loan on that basis.

Q. When was it that you got that data or information as to the value of that ranch?

A. It was in the late thirties, I would say.

Q. And where was it gathered?

A. At the Berkeley Farm Bank in Berkeley.

Q. Was there a mortgage on the property at that time, do you know?

A. There was. There was one on and the other had been paid.

Q. As a matter of fact, there has been a mortgage, not the same mortgage, but the property has been under mortgage continuously since 1918, hasn't it?

(Testimony of Mr. Clarence Sadler.)

A. Yes, it is still under mortgage. [236]

Q. Do you know the amount of the mortgage upon it?

A. Well, the last figure I received, I think around 11 thousand dollars or approximately.

Q. From what source did you obtain that?

A. I obtained that from Alfred and also I think the bank after Alfred died. It will show on the loan note just how much was paid at that time.

Q. Yes, I understand. I am trying to find out what you know about it.

A. We have a photostatic copy of it.

Q. As I understand from your direct examination, Mr. Sadler, the first time that Edgar disputed or denied that you had an interest in the ranch was on the occasion of Alfred's funeral?

A. It was the night before Alfred's funeral.

Q. On that visit here in Reno?

A. That is correct.

Q. Is it true that up to that time you had full confidence in him going right ahead there and taking care of things and looking after it and relieving you of any duty, worrying about it at all?

Mr. Thompson: This is a compound question, your Honor.

(Question read.)

The Court: Answer the question.

A. The relationship between Edgar, Alfred and myself have [237] always been amiable and we always tried to eliminate any friction between brothers.

Q. Well, you say the relationship between you

(Testimony of Mr. Clarence Sadler.)

and Edgar in that regard was the same as between you and Alfred?

A. Well, I will tell you, Alfred was my attorney in fact and I looked to Alfred for information, but Edgar, his wife, and the children came to the house and we visited with them and it was always an amiable disposition.

Q. So nothing occurred to disturb your confidence that Edgar was taking care of the ranch and that it was not necessary for you to take any more interest in the matter than you did?

A. Well, Edgar had been on the ranch for years and I presumed he knew the conditions out there and he would carry on the office and manage the ranch as he was supposed to do under the trust agreement and sell it in compliance with the terms of the trust agreement.

Q. What trust agreement do you refer to?

A. The trust agreement entered into March 2, 1918.

Q. That is Exhibit 8.?

A. That is Exhibit 8 in the record, yes sir.

Q. Do you mean that that trust agreement imposed any duty upon Edgar to operate the ranch?

A. It imposed duty on him to dispose of the ranch by a reasonable time, as I read the trust agreement and as my mother and Bertha and Alfred reported to me. [238]

Q. I am not asking that, Mr. Sadler.

Mr. Cook: I move that last portion be stricken out.

(Question read.)

(Testimony of Mr. Clarence Sadler.)

The Court: The answer may stand.

Q. Mr. Sadler, I hand you Exhibit 8, which is what you call the trust agreement, is that it?

A. Yes sir.

Q. Will you point out what portion of that document you have reference to or you rely upon as proving any duty upon Edgar Sadler to operate the ranch?

Mr. Thompson: Objected to, the agreement speaks for itself, your Honor.

Mr. Cooke: It does not speak for what this witness says.

The Court: I think on cross-examination he is entitled to ask this question. Objection overruled.

A. Edgar and Alfred took legal title to the ranch and held it in trust for the heirs of Reinhold Sadler——

Q. I am not asking you that at all.

A. And inasmuch as Edgar had been on the ranch and managed the ranch for a number of years, he should give it the proper care and consideration in order to protect the beneficiaries in this trust. [239]

Mr Cooke: I move the answer be stricken as not responsive, your Honor.

The Court: I think that is the case here. The question was directing your attention to the exhibit and asked if certain matters were in that exhibit. Read the question again.

(Question read.)

The Court: The answer goes out.

(Testimony of Mr. Clarence Sadler.)

A. There is nothing in the trust agreement providing for management of the ranch.

Q. You saw this document that you have denominated trust agreement, which is marked Plaintiff's Exhibit 8, very shortly after the date it bears, March 2, 1918?

A. That is right, May or June of 1918.

Q. It is dated March 2nd?

A. That's right.

Q. And you saw it at Carson City?

A. I saw it three times at Carson City.

Q. What was the occasion of your seeing it?
How did you come to see it?

A. How did I come to see it?

Q. Yes.

A. Because my mother and Alfred wrote to me that such a trust agreement had been signed. [240]

Q. Have you evidence?

A. No sir. That is one of the letters that was destroyed. Bertha also wrote to me.

Q. Was that letter destroyed too?

A. Yes.

Q. Well, anyway they wrote to you about there being such a document signed and then after that you were in Carson City?

A. I was in Carson City in May or June of 1918 and I looked at the trust agreement myself. I got it out of my mother's tin box, and I was there again in 1920 and I looked for the trust agreement and found it. After my mother's death it was in the box and I told Alfred to take it to Reno for safe keeping.

(Testimony of Mr. Clarence Sadler.)

Q. Well, I didn't ask you about that, Mr. Sadler. Now in 1918 in May or June, when you saw it in Carson City, what was the occasion of your visit to Carson City at that time?

A. I visited home before I went into the army in San Francisco. I was discharged from the aviation section in Louisiana.

Q. You were in the service prior to that, were you not? A. That is correct.

Q. And you told us on your direct examination you were ordered overseas?

A. That is correct.

Q. Did you go overseas?

A. No, sir, the Armistice was signed. [241]

Q. On the 11th of November?

A. November 11, 1918, yes sir.

Q. Coming back to your visit in Carson City, who else of the children of Reinhold Sadler were there on that occasion?

A. Bertha and my mother.

Q. How much time did you spend in Carson City that time? A. Oh, possibly a week.

Q. Were you there on a visit?

A. Yes, I was. I was inducted into service at that time by the Carson board.

Q. The matter of this March 2, 1918 document that you call a trust agreement, that didn't have anything to do with your making a visit there at that time, did it?

A. I wanted to see my folks before I went in service and I stopped over and was interested in looking at the trust agreement.

(Testimony of Mr. Clarence Sadler.)

Q. You knew about the trust agreement before?

A. That is correct. My mother, Bertha and Alfred reported they signed the agreement.

Q. That was one of the things you wanted to see about when you got there?

A. Yes, I asked about it, yes.

Q. You considered it of considerable importance, didn't you?

A. Well, my inheritance was involved.

Q. Answer the question, Mr. Sadler, you considered it of importance [242] to you, didn't you?

A. Certainly I did.

Q. Did you take a copy of it? A. No sir.

(Short recess taken at 3:30 p.m.)

CLARENCE SADLER

resumed the witness stand on further cross-examination by Mr. Cooke.

Q. When did you first go into the armed services of World War I?

A. I enlisted some time in 1917 at Ft. Meyers. I was called later to my qualified school at Princeton, New Jersey, and I stayed there until I finished the course and went to Field 2 outside Hempstedt, awaiting embarkation for overseas.

Q. This was 1917, was it? A. Yes sir.

Q. What time in 1917?

A. Well, I enlisted some time in May or June of 1917, as I recall it.

Q. What was the service?

(Testimony of Clarence Sadler.)

A. That was the aviation section of the signal corps.

Q. You continued in that service how long?

A. I continued in that service until May or June of 1918.

Q. You were stationed at various places outside of Nevada from that time continuously down to when?

A. I was stationed at Hempsted Field until I got my discharge [243] in May or June and I returned to Nevada. I first returned to Washington and then came on to Nevada and spent some time home and in San Francisco and was inducted into the Coast Artillery.

Q. In what year? A. That was in 1918.

Q. And you continued on until the Armistice was signed?

A. I was discharged at Camp Rockford December 10, 1918, and I returned to Washington.

Q. When you came to Carson City in May or June of 1918 was there any connection between that visit and your military service?

A. I had been discharged from the aviation section and I reported to my draft board in Carson City.

Q. Did you have to come to Carson City for that purpose?

A. I presume I did because they called me to report to Ft. Lewis and I was already in the service at the time I received my announcement to report to Ft. Lewis.

(Testimony of Clarence Sadler.)

Q. Is it correct to say that that was your sole business in coming to Carson City on that occasion?

A. I wanted to visit my family. I wanted to see this agreement that my mother and Alfred and Bertha had told me about.

Q. Anyway, you had two purposes then, one was to see this document and the other to see to the military matter and the draft board? [244]

A. That is correct.

Q. How soon after you got to Carson City on this occasion was it that you saw this paper marked Plaintiff's Exhibit 8?

A. Possibly the next day.

Q. And how was it delivered to you?

A. It wasn't delivered. I went into my mother's tin box and opened it myself.

Q. Did you go there for any other papers besides this one?

A. Did I go there for any other papers?

Q. Yes.

A. All the ranch papers were in that box, part of them anyway.

Q. You just assumed when you started for this tin box that this document would be in it?

A. That is where my mother kept her papers.

Q. I think I asked you a moment ago whether you made a copy of this?

A. No, I made no copy.

Q. A photostat was made of it at one time, was it not?

A. It was.

(Testimony of Clarence Sadler.)

Q. Did you have anything to do with securing that photostat?

A. I had the photostat made, yes sir, after my brother's death.

Q. And that was for such use as principal in connection with the litigation?

A. I made photostats—yes.

Q. After you read this document, the matter of adding anything [245] to it or changing it in any way didn't come up between you and Edgar?

A. No sir.

Q. Did it occur to you that any correction or addition or change was necessary?

A. It would be necessary to obtain the consent of all parties, I knew that from my law experience, so I left it as is.

Q. You claimed at that time, as heir of Reinhold Sadler, Sr., that you had a substantial interest in that property?

A. I still claim so.

Q. But at that time you had that idea?

A. That's correct.

Mr. Thompson: May I ask what time you are talking about?

Mr. Cooke: At the time he was there in May or June of 1918, when he first saw these papers.

Q. I don't want to pry into your personal affairs, but is it a fact that your expectancy as an heir was your principal property asset at that time?

A. No, my father had interests in mines, had interests in this ranch and he had other interests.

(Testimony of Clarence Sadler.)

Q. I know, but shown by the inventory as between the mining claims and your expectancy in the ranch, which in your mind was the most valuable?

A. Well, I thought the ranch was most valuable because Eureka [246] mines were at that time not marketable for any considerable sum.

Q. And aside from your expectancy in the ranch and the other properties that your father had, that constituted substantially all the property you had?

A. That is correct.

Q. In any of the conversations that you had with Edgar Sadler subsequent to March 2, 1918, did you ever mention to him or he to you the existence of this paper, Exhibit 8? A. No.

Q. I think you told us that you caused this ranch to be listed with one or more selling agencies?

A. I did.

Q. What year was that, Mr. Sadler, do you remember?

A. Well, I think after I returned from my trip to the northwest; possibly it was in the late part of 1925 or early part of 1926 I listed it with a firm in San Francisco and then again in 1931 I listed it with two other firms in San Francisco and possibly in Los Angeles and then I believe it was later on I listed it with other firms in Los Angeles.

Q. You mentioned in your direct testimony that you listed it with a firm mentioned by the name of Banker & Caldwell?

A. Caldwell Banker & Caldwell. They are on Sutter street. I had a friend there that was in that firm.

(Testimony of Clarence Sadler.)

Q. When was that listing made in that particular firm? [247]

A. I think that listing was made in 1931.

Q. And do you remember what price the ranch was listed at?

A. I think that year it was listed at 65 thousand.

Q. That, of course, didn't include anything except just the ranch property, the real estate?

A. That's all.

Q. And was it listed at the same price at these other places as you remember?

A. As I recall it was listed at 65 thousand, yes, that is the price Edgar and Alfred agreed on.

Q. You mentioned in your direct examination that you had listed it with some firm in Los Angeles.

A. I have.

Q. Do you remember the name of the firm?

A. I remember the man's name, Owen. His firm was located in a building on 4th & Main Street. He listed Las Vegas properties and also specialized in ranches.

Q. Do you remember the initials?

A. No, I don't recall his initials and I don't recall the name of the real estate firm. It was on 4th & Main.

Q. He was simply a member or agent of the firm?

A. Well, he was handling the Las Vegas properties and also ranch properties.

Q. Did you know him personally?

A. In a way, yes, but through my calls on him in connection [248] Las Vegas properties.

(Testimony of Clarence Sadler.)

Q. When was that listing made, in what year?

A. As I recall, it was in 1931.

Q. All of the listings were for the same figure, 65 thousand?

A. No, the first listings, as I recall it, were for 75 thousand.

Q. And they dropped down to 65 thousand?

A. Yes. The first listing was made in the winter of 1925 or the spring of 1926 when I returned to San Francisco.

Q. I think you told us previously that the property was appraised by some of these concerns loaning money at 40 or 41 thousand, is that right?

A. I made the statement that the property was appraised by the Berkeley Land Bank at 41 thousand and some odd hundred dollars.

Q. When was that supposed to have been made?

A. That appraisal was made at the time the loan was made.

Q. Well, when was that?

A. I have a copy of the loan.

Q. Have you a copy of it? You may look at that to refresh your recollection. Your attorney has handed me a document that he has marked exhibit "K" and it is a photostat of a deed of trust dated May 1, 1928 from Edgar Sadler and wife and Alfred Sadler and wife to themselves as trustee, is that the document?

A. Yes, that is the loan agreement.

Q. And appraisal was made in connection with that?

(Testimony of Clarence Sadler.)

A. The appraisal was made prior to the authorization of the loan.

Q. But it would be a fact that the date was shortly before?

A. I presume it would.

Q. Did that represent, according to your judgment, a fair value of the property at that time?

A. No, I thought probably it was worth more.

Q. Do you have any knowledge as to what the property was worth, we will say, in March, 1918?

A. March, 1918, well, I hadn't been on the ranch since 1912 and as I understand it from Mr. Castle later, Edgar was offered 40 thousand for the ranch in 1918.

Q. That is all that you know as to its value at that time, is that right?

A. I am not an appraiser of ranch lands, so I can't fix the valuation, Mr. Cooke.

Q. You didn't have any idea in your own mind, without being an official appraiser, as to what it was worth at that time?

A. Well, I considered the spring on the ranch to be worth in excess of 40 thousand dollars, because in that section there is very little water and water in Nevada means very good land.

Q. What is the name of that spring?

A. It is the Shipley Spring.

Q. It is worth 30 thousand dollars itself? [250]

A. I estimated it would be worth more than that. If that spring was in California it would be worth several times that.

(Testimony of Clarence Sadler.)

Q. What I am trying to get at, Mr. Sadler, is what your judgment was as to the value of the ranch, just in your own mind, at the time when this agreement, Exhibit 8, was made in March, 1918, if you had any?

A. Well, I hadn't been on the ranch since 1912 to 1925.

Q. You saw that document the following May or June?

A. In May or June of 1918.

Q. And you remember the language in the document that the ranch was to be sold at the first good offer at an advantageous figure?

A. Yes.

Q. Did you have in your own mind at that time what an advantageous figure would be?

A. No.

Q. Did you have in mind at that time a figure that you would be willing to sell for, as far as you were interested in it?

A. Well, my brother Edgar and Alfred were living in Nevada and knew the value of ranch properties and I would be guided much on their judgment.

Q. But what I am getting at, Mr. Sadler, if you had any independent, idea, your own idea, what your claimed interest in that property amounted to?

Mr. Thompson: He already answered he didn't have any [251] definite idea what the property was worth.

The Court: Let us have the answer again.

A. You mean my own claim?

(Testimony of Clarence Sadler.)

Q. Yes, or the total value of the property?

A. Well, I figured I was one of the heirs of Heinhold Sadler and I should come in for my share of the property.

Q. I am trying to find out if you had any idea of your own, expressed in dollars and cents, what it was worth?

A. Well, I estimated the ranch was worth at least 50 or 60 thousand dollars at that time.

Q. That is what I was trying to get at. What do you estimate it is worth now?

A. I don't know, but from the general condition of the market it might be worth three or four times that much. That is largely based on hearsay.

Q. I understand you don't hold yourself out as being an expert on the value of ranches?

A. That is correct.

Q. But it is your very firm belief that it is worth a good deal more now than when you saw that document in May or June of 1918?

A. Under present market conditions, I would say yes.

Q. Did you take note of the manner in which the ranch was operated and taken care of when you were out there first in 1925, after this document was made.

A. I did.

Q. What did you observe in regard to the way it seemed to be taken care of, properly or not?

A. Well, I observed it was being conducted in an orderly manner. I noticed some of the fields were not, especially the alfalfa fields, were not producing

(Testimony of Clarence Sadler.)

as much alfalfa as formerly and that some of the area down in the meadow were somewhat dried out.

Q. From lack of water?

A. Just dried out. I don't know whether it was a dry year or not. While we were there it rained some, but I don't know whether the spring was dry.

Q. How about the house and fence and equipment and machinery around there, did that seem to be kept up in good condition or not?

A. Appeared at least to be so.

Q. You found nothing to criticize, did you?

A. When we went out there in 1925 the farm house was destroyed and they were remodelling the old bunk house and made it into a family ranch house. That is the house that is there now.

Q. How did that house compare with the other one, as to being comfortable or otherwise?

A. Well, he made it into a comfortable house, the bunk house. The walls are about two or three feet thick and in summer time it is cool and in the wintertime it is warm. [253]

Q. And did you notice any of the livestock around there?

A. I did. I went down to the meadow, a few in there but most of them out on the range.

Q. How about the barns and dams and machinery and equipment?

A. I didn't get a chance to examine the machinery, but the barns seemed to be in good condition.

Q. I take it that your notice was more or less casual?

A. That is correct.

(Testimony of Clarence Sadler.)

Q. Now in 1931 was the next trip?

A. 1933.

Q. Did you on that occasion take note of the condition of the farm machinery and equipment and the fields and meadows and like that?

A. I wasn't there long enough.

Q. That was when you were there that 15 minutes?

A. No, I was there longer than that.

Q. That is when you had this 15-minute talk? Whatever the reason was, you didn't take any note of conditions at that time?

A. No, I didn't have the time.

Q. And when you were there in 1938 that is when you were there on the hunting trip?

A. That is correct.

Q. You were there for some two or three days that time, I mean there and in that neighborhood?

A. I think we were at the ranch two days; two days, yes; we [254] left on the third morning.

Q. What did you see about the ranch at that time in regard to the manner in which it was kept up?

A. It seemed to be in good repair.

Q. Good condition, signs of work there and somebody taking care of it?

A. Yes.

Q. And what do you refer to, the meadows or the natural grass land or the seeded grass land, or what?

A. The only place I examined, had a chance to see at that time, was what we call the Taft field

(Testimony of Clarence Sadler.)

and the land known as a part of the Romana Ranch. The contract was taken out in the name of Mr. Taft.

Q. And you noted those two acreages, did you?

A. Yes, those two. I didn't go down in the other section.

Q. How about the fences, what were the conditions of the fences? Were they kept up?

A. We only went through one part of the meadow into the other through the Taft field and we didn't see all the fences, but I remarked to Mr. Casto that we used those cattle sheds for a while that are along the board fence to keep the cattle in there during the winter time and I said, "Well, those sheds seem to be gone down, fallen down."

Q. They were in disrepair?

A. Well, I think they just caved in and they picked up the [255] lumber possibly and used it for some other purpose.

Q. So the sheds at that time——

A. (Interrupting): These were sheds for winter time, where they fed the cattle.

Q. The sheds at that time, along in October, 1938, were not in a condition to be used?

A. Well, I don't believe there were any sheds there. When I was out there in my early days, these sheds were there and they used them to feed the cattle in the winter time. In other words, it was a storm brake.

Q. You said something about being caved in.

A. They had been removed. Part of them had

(Testimony of Clarence Sadler.)

caved in or fallen in and they just used the lumber for other purposes.

Q. The fact is that the sheds formerly there were entirely removed?

A. They were not sheds, they were cattle brakes, wind brakes.

Q. Whatever they were, they were no longer there?

A. I didn't notice them when we drove in from my nephew's ranch.

Q. That was the only change that you saw in regard to difference in number of buildings, sheds, etc. on the ranch at that time?

A. I think one of the old sheds that housed the wagons was gone.

Q. Did you notice any new buildings of any kind?

A. Yes, I noticed a new house.

Q. That was the one you already told us about?

A. No, another new house.

Q. What kind of new house was that?

A. A dwelling for Reinhold Sadler.

Q. That is close by the old homestead there?

A. That is correct.

Q. That was built there between your second and last visit that you made, is that right?

A. As I recall, it was build between 1933 and 1938. I might be mistaken.

Q. Did you notice any other improvements, new improvements I mean, in 1938 as compared with the condition that you found there in 1933?

Mr. Thompson: He said he didn't examine the conditions in 1933, Mr. Cooke.

(Testimony of Clarence Sadler.)

A. I don't recall any, Mr. Cooke.

Q. Outside of that one?

A. The homestead.

Q. That new house?

A. Yes, Reinhold's home.

Q. Now you did not make any comment or recommendations or criticisms to Edgar about anything in regard to the property not being taken care of?

A. Well, I think Edgar, in one of the conversations, told me [257] that certain acreages needed reseeding and I have a recollection that part of the money that was obtained from the Federal Farm Bank was to be used for that purpose.

Q. That was his suggestion, but what I am getting at, Mr. Sadler, if you found anything to criticise and if you did criticise?

A. I don't believe I criticised the up-keep of the ranch.

Q. In other words, it was satisfactory to you?

A. As to the up-keep of the ranch?

Q. Yes. A. Yes sir.

Q. Was there anything about it that was not satisfactory outside of the up-keep or set-up?

A. No, I wouldn't say so.

Q. In your complaint in this case I think you allege that the value of the property at the time the action was commenced was 100 thousand dollars or upwards, is that right? A. Yes sir.

Q. Does that include or exclude the personal property, the livestock or is it intended just to apply to the ranch?

(Testimony of Clarence Sadler.)

A. Well, I think under the present market values the ranch is worth more than 100 thousand dollars.

Q. The ranch itself?

A. That is the ranch itself, and you can't put any market on the cattle today because they are going higher, not since they removed the OPA regulations. [258]

Q. So it is fair to say that 100 thousand dollar valuation you had there had to do with the ranch?

A. May I see the complaint sir?

Q. Yes sir.

A. It is alleged in the complaint that the value of the livestock and the ranch equipment is in excess of 100 thousand dollars.

Q. Do you think that is a correct figure, or was a correct figure at that time?

A. Well, I say the complaint reads "in excess of ten thousand dollars."

Q. You can go as high as you want to?

A. Yes.

Q. How much in excess of 100 thousand dollars would you say it is worth now?

A. I don't know.

Q. You have not any certain amount at all?

A. No sir.

Q. Now, Mr. Sadler, you have testified to a large number of letters that you received from Alfred and which have been marked as exhibits in this case. Do the letters that you have introduced here and which are marked as exhibits comprise all the letters that you received from him? A. No.

(Testimony of Clarence Sadler.)

Q. I mean in reference to the ranch?

A. I think it does, yes.

Q. Is it correct to say then that so far as you are concerned you know of no other letter that you got from him where he mentioned the ranch conditions?

A. Well, I destroyed a lot of letters, Mr. Cooke. The letters I destroyed do not include letters here as exhibits.

Q. I am sure I understand that. Do you mean they were destroyed at the time you——

A. (Interrupting): When I went into the service.

Q. Did you voluntarily destroy them?

A. I did, sir.

Q. Did you destroy anything else besides those particular letters?

A. Yes, I destroyed correspondence I had with friends of mine. I also destroyed other documents in relation to my affairs.

Q. You were making sort of a clean-up of non-essential matters?

A. I had to because the restrictions during that time required us to keep just a minimum of army equipment.

Q. How did you destroy them, burn them up?

A. I don't recall, sir.

Q. Where were you when this destruction occurred?

A. I believe it was in San Francisco.

Q. Were there a number of letters you had from Alfred included in that destruction? [260]

(Testimony of Clarence Sadler.)

A. Yes; a great many letters from my mother and sister.

Q. And probably a great many of them had reference to the ranch property out here, is that right?

A. They had reference to the settlement of the quiet title suit and what action was taken previous and subsequent to the settlement of that suit.

Q. The quiet title suit, you refer to the suit brought by the Huntington & Diamond Valley Company against yourself and others in 1915?

A. Yes.

Q. And was settled or adjudicated in March, 1918? A. That is correct.

Q. In that destruction of correspondence, letters, etc., did you include any letters or written communications of any kind signed by Edgar Sadler, do you know?

A. I don't recall. There may have been some there, but I don't recall.

Q. Your correspondence with Edgar was very infrequent and sparse, wasn't it?

A. Yes, most of my dealings were with Alfred.

Q. You started out with him as your attorney in fact way back in 1912, didn't you?

A. 1912, yes sir.

Q. And subsequent to that time you gave other powers of attorney to him, did you not? [261]

A. I think I gave him power of attorney in connection with mines and the settlement, I think, of our suit against the Nevada State Bank & Trust Company; I don't recall.

(Testimony of Clarence Sadler.)

Q. Well, the powers were general, you remember that, do you not? A. Yes.

Q. Gave him very full and almost unlimited powers? A. Yes, full authority.

Q. So that whatever he did in respect to the property referred under those powers would be acceptable to you? A. It was.

Q. You feel you are bound by it?

A. Yes sir.

Q. How about acts of Alfred where he didn't act, didn't describe himself as attorney in fact?

A. Well, I don't think he had any authority to sign without putting down that he was attorney in fact.

Q. You wouldn't then assume responsibility, you are not disposed to assume responsibility for anything he did unless he did it in that capacity, is that right? A. That is correct.

Q. Where he signed as attorney in fact?

A. He signed as attorney in fact on the trust agreements and also on the stipulation.

Q. Well, I am not asking you about that, Mr. Sadler. [262]

A. Well, I am not going to argue the law question.

Q. Well, I don't want to argue it either, Mr. Sadler. I only want to get your attitude here. You feel you are not obligated for anything done by Alfred Sadler except where he signed as attorney in fact?

A. No; I think Albert generally signed as attorney in fact.

(Testimony of Clarence Sadler.)

Q. That isn't an answer, Mr. Sadler. I want to find out if your answer——

Mr. Thompson: Objected to on the ground it is too general.

The Court: I don't see that this covers any matter pertaining to direct examination or would tend to determine credibility or lack of credibility of the witness.

Mr. Cooke: I think when we get down to it, your Honor will see the materiality from our standpoint again.

The Court: Let us try just once more. Do you understand this question?

A. That is whether I have any objection to Alfred signing his own name.

The Court: Read the question.

(Question read.)

A. I believe that is correct. He usually signed my name and if he didn't sign my name as attorney in fact, he had no authority under the power of attorney. [263]

Q. Referring to this so-called trust agreement, I think you said that was signed by him as your attorney in fact?

A. No. This is what I had reference to: "thru the Power of Attorney" of Clarence T. Sadler.

Q. That is recital in the body?

A. Yes, that is what I had reference to.

Q. But the signature at the bottom is simply Alfred Sadler?

A. That is correct.

(Testimony of Clarence Sadler.)

Q. I think I asked you this question before, Mr. Sadler, but I do not remember just what kind of an answer I got. When you first saw this document, Exhibit 8, in May or June, 1918, you read it over doubtless with care, did you not? A. I did.

Q. You had no advance notice of it other than what you have already told us about, that you were informed there was such a document?

A. That is correct.

Q. But you had no copy of it and no detailed statement of just what it was? A. No.

Q. As a lawyer did or did it not occur to you that there was a necessity for your signing it?

Mr. Thompson: Objected to. Calls for conclusion of the witness.

The Court: Objection sustained.

Mr. Cooke: May we have an exception on the ground it is proper cross-examination.

The Court: You may have an exception.

Q. What did you do with that Exhibit 8 after you read it up in Carson City on that occasion?

A. Put it back in the box, returned it to its proper place.

Q. And that was in your mother's possession?

A. That was in the house.

Q. At Carson City? A. That is correct.

Q. When did you next see it?

A. I next saw it in 1920.

Q. Two years afterwards?

A. Approximately two years.

Q. And what was the occasion of your seeing it then?

(Testimony of Clarence Sadler.)

A. Well, I was appointed as an examiner by the Federal Trade Commission to sit at a hearing in El Paso and we completed taking testimony at El Paso and we adjourned to a hearing at Los Angeles, completed our hearing there, and I wired to my superior in Washington if it would be permissible for me to return East via Reno in order that I could return to my home and visit my family, and permission was granted and I returned to Carson City for two or three days' visit and while I was there I produced the box and looked into it and the agreement was there. My mother was getting very feeble at that time. [265]

Q. And after this occasion in 1920 when did you next see that paper?

A. I saw it after my mother died.

Q. That was in 1923, wasn't it?

A. That is correct.

Q. At that time I take it you and the other heirs were interested in knowing something about the status of the estate and that is why you saw the paper?

A. Yes, it was there and I told Alfred it would be all right for him to take it to Reno and keep it here for safe-keeping, keep it in Reno for safe-keeping.

Q. When did you next see the paper after that?

A. When Kathryn Powers Sadler gave it to me after Alfred's death.

Q. Sometime in '44?

A. That was in March or April of 1944.

(Testimony of Clarence Sadler.)

Q. Mr. Sadler, calling your attention to the meeting that you told us about that you had in Reno in 1931 at the Golden Hotel. Do you recall the persons that were there and were participating in the talk that you had at that time?

A. Edgar, Alfred and myself.

Q. Where did it take place in the hotel?

A. It took place, not in the lobby, in the sitting room there at the Golden Hotel. It is part of the lobby.

Q. Did you meet there by appointment or was that just accidental [266]

A. No, I think it was by appointment. I came up from California and suggested that we meet there.

Q. You don't mean that you met by appointment there to talk over this ranch subject, do you?

A. Primarily, yes.

Q. What other subject did you discuss?

A. We discussed politics, the legislature.

Q. In that conversation in regard to the ranch, isn't it a fact that you offered to sell whatever interests you had to Edgar or Alfred or either of them or both of them for six thousand dollars?

A. In the 1933 conversation I offered to sell—Alfred also offered to sell—our interests to Edgar for six thousand dollars apiece.

Q. Well, I am asking you now if that offer wasn't made in the talk at the Golden Hotel in 1931?

A. I think it was made in 1933?

(Testimony of Clarence Sadler.)

Q. And that was made out at the ranch?

A. No, that was made at the Golden Hotel. We had two conferences there.

Q. Oh, you had two conferences there? I misunderstood. One was in 1931 and one in 1933?

A. Yes, one was in 1931 and the other in 1933.

Q. And your best recollection is that the six thousand dollar [267] offer came up in 1933 and not in 1931?

A. That is my recollection.

Q. And probably I covered this already, but in the 1933 meeting were the same persons present?

A. The same persons were present, Edgar, Alfred and myself.

Q. And was that also in the sitting room in back of the lobby there? A. Yes.

Q. What did Edgar say in regard to the six thousand dollar offer?

A. Edgar said that was a fair offer and before we had the conference I discussed the matter with Alfred and Edgar said that was a fair offer and that he would try to get an additional loan from the Federal Farm Bank.

Q. Did you hear anything further from Edgar in regard to the six thousand dollar offer?

A. You mean the offer or the raising of the money?

Q. The offer.

A. No, I didn't hear a word from Edgar directly. I heard through Alfred Edgar was unable to get the money.

(Testimony of Clarence Sadler.)

Q. I asked you if you heard anything from Edgar?
A. Not directly, no.

Mr. Cooke: Right now I have nothing further.

The Court: Any further questions of this witness, Mr. Thompson?

Mr. Thompson: We have no further questions, your Honor. [268]

MRS. DORIS REBA SADLER

a witness on behalf of the plaintiff, being first duly sworn, testified as follows:

Direct Examination

By Mr. Thompson:

Q. Will you state your name please?

A. Doris Reba Sadler.

Q. You are the wife of Clarence T. Sadler, the plaintiff in this case.
A. Yes.

Q. Are you acquainted with Edgar Sadler, the defendant?
A. I am.

Q. And when did you first meet him?

A. When I first met him is when we came out to Carson City, Nevada for the funeral in 1923, for the funeral of Mrs. Louisa Sadler.

Q. At that time were you present during any conversations regarding the Diamond Valley Ranch?

A. Yes.

Q. Who else was present at that time?

A. Well, Alfred and Edgar and my husband.

Q. Will you state what you recall of the conversation that took place at that time?

A. Well, they brought up the question of the

(Testimony of Mrs. Doris Reba Sadler.)

ranch and Edgar said he would like to sell it if he could because he was rather tired of ranching and I asked how much our share would be and he said he thought around 15 thousand dollars, according to what ranches were worth at that particular time.

Q. Do you recall anything else that was said at that time?

A. Just discussions about the ranch.

Q. Did Edgar Sadler say anything regarding what he would do?

A. Well, he said he would try to find a buyer when he got back.

Q. When was the next occasion that you met Edgar Sadler?

A. Well, we went out to the ranch in 1925.

Q. Who was with you at that time?

A. My husband.

Q. Did you overhear or take part in any conversations regarding the Diamond Valley Ranch at that time?

A. Well, I was present. I didn't take much part in it. There was conversation between Alfred and Edgar and Clarence and myself.

Q. The four of you were present? A. Yes.

Q. And will you state what you recall of the conversation that took place then?

A. Well, my husband brought up the question of the ranch and he said, "We would like to get our money out of it, our share", and Edgar said that at that particular time ranches weren't bringing much money and he thought it was a bad time to sell.

(Testimony of Mrs. Doris Reba Sadler.)

Q. Do you recall any other conversation regarding the ranch that occurred several years later?

A. Well, in 1939, I believe it was, Ethel and Edgar Sadler visited our home in Berkeley, California.

Q. Do you recall what the occasion of that visit was?

A. Well, her brother Tom had passed away.

Q. Ethel Sadler's brother Tom?

A. Yes, and after the funeral we asked them to come to our home and visit with us while we saw the Fair, as we were close to transportation that took them over to the Fair, and her sister Rebecca came too and she stayed a couple of days, then came back to Reno, and Ethel and Edgar stayed longer.

Q. And during the time that Edgar Sadler and Ethel Sadler were in Berkeley, did you engage in any conversation in regard to the Diamond Valley Ranch?

A. Yes, we did.

Q. Who was present during the conversation?

A. Edgar, Ethel and my husband and myself.

Q. Can you state the conversation as you recall it?

A. My husband brought up the ranch again and he said again he would like to get his money out of his share of it and again Edgar said ranches weren't selling for very much money and then my husband said, "Well, why can't the boys," that is Floyd and Reinhold, the sons, "since they are going to live out there, why can't they raise the money and buy my share," and I suppose he meant Alfred's too.

(Testimony of Mrs. Doris Reba Sadler.)

Q. Do you recall any reply made to that suggestion?

A. Edgar didn't make any comment.

Q. During any of the three instances to which you have referred in your testimony, did you at any time hear Edgar [271] Sadler say to Clarence Sadler that Clarence Sadler didn't have anything to do with the ranch? A. I did not.

Q. On any of those occasions did you hear Edgar Sadler say anything to Clarence Sadler that had the same meaning or import? A. No.

Mr. Thompson: You may cross-examine.

Mr. Cooke: We have no cross-examination.

The Court: Any further questions?

Mr. Thompson: No further questions, your Honor.

MRS. KATHRYN SADLER

having been previously sworn, was recalled on further

Direct Examination

By Mr. Thompson:

Q. Mrs. Sadler, I show you Plaintiff's Exhibit 40 for identification and the signature of Kathryn Power Sadler, is that your signature?

A. Yes.

Q. When and where did you sign that?

A. June 11, 1946, before Mr. Kearney.

(Testimony of Mrs. Kathryn Sadler.)

Q. Mr. William Kearney at that time was acting as your attorney? A. Yes he was.

Mr. Thompson: I offer Exhibit 40 for identification in evidence, your Honor.

Mr. Cooke: The defendant, Edgar Sadler, objects to the admission in evidence of the offer, Plaintiff's Exhibit 40 [272] for identification, on the ground that it is irrelevant and immaterial, not proper foundation has been laid or exists. It is incompetent in that it purports merely to be a declaration of a third party not connected with the defendant, Edgar Sadler or authorized in any manner to speak for him, hence the document, with its contents, would simply be the declaration and statement of the witness and not the declaration and statement of the defendant, Edgar Sadler. That the widow, the administratrix of the estate of Alfred Sadler, would be the trustee, with all due respect to your Honor's difference on that, and as such, and/or as co-tenant with respect to the ranch, she would have no authority to bind Edgar Sadler by any declaration which she made in writing or otherwise. That the document is in no way brought home to Mr. Edgar Sadler that he knew anything about it, that he participated in or became responsible legally for it in any way whatsoever. Your Honor, it seems to me, with all due respect to my opponents on the other side, we are carrying this proposition of declaration of co-tenant and defendant or a co-trustee, whatever it might be called, to a dangerous extreme. I have heretofore discussed

(Testimony of Mrs. Kathryn Sadler.)

the general subject, but this document here presents a different thing. It purports to be declaration of trust by Kathryn Powers Sadler, as administratrix of the estate of Alfred R. Sadler, in which she, without any personal knowledge, or very little personal knowledge, of the subject matter undertakes to make admissions in this declaration to the effect that so far as she is concerned she is holding as a co-trustee this [273] ranch. There is, of course, nothing in here to the effect that Edgar Sadler is a co-trustee, further than she states that the agreement—it is a construction of her own—that the agreement between all the heirs of Reinhold Sadler——

The Court: I have not seen the agreement, but if that agreement is a declaration of Kathryn Powers Sadler, if she is holding this land as a trustee, I will sustain the objection.

Mr. Cooke: That is what it is, your Honor. She is holding an interest in it with Edgar Sadler as trustee.

The Court: Because I don't think she is a co-trustee or trustee at all.

Mr. Thompson: She doesn't claim to be trustee.

The Court: Then I cannot see that her declaration will be of any value whatever. Objection will be sustained.

We will take our recess now a little earlier than usual as a mark of respect to our deceased friend, George B. Thatcher. We will be in recess in this case until tomorrow morning at 10:00 o'clock.

(Recess taken at 4:30 p.m.) [274]

Thursday, October 17, 1946, 10:00 A.M.

Appearances same as at previous session.

MRS. KATHRYN POWERS SADLER

resumed the witness stand.

The Court: I think before we took our recess, Mr. Thompson, you had offered Exhibit 40.

Mr. Thompson: Yes, your Honor. At this time I respectfully move that your Honor withdraw your ruling on that exhibit so I can explain its character.

The Court: Motion will be granted.

Mr. Thompson: This is a declaration, your Honor, that has been filed and recorded by Kathryn Powers Sadler as administratrix of the Estate of Alfred Sadler, deceased, and we offer it as an admission or declaration against interest. In addition to describing the property known as the Diamond Valley Ranch, I wish particularly to call your Honor's attention to the portion beginning on line 25 of page 2, as follows:

"That the undersigned, as the duly appointed, qualified and acting administratrix of the estate of said Alfred Sadler, does hereby declare that the said Alfred Sadler during his lifetime did hold jointly with said Edgar Sadler, the debtor, legal title to the property hereinbefore described in trust for the heirs of Reinhold Sadler, deceased, in accordance with the agreement attached hereto as Exhibit "A."

(Testimony of Mrs. Kathryn Powers Sadler.)

I think, your Honor, as I understand your comment at the time of the ruling yesterday, was under the impression that it was a declaration that she, as administratrix, held the property in trust. It is not such a declaration, but is a declaration against her interest as the representative of the estate of the deceased co-trustee and shows that, insofar as Kathryn Sadler is concerned as administratrix, and insofar as the estate of Alfred Sadler is concerned, the title to the Diamond Valley Ranch, under the decree in the quiet title suit, which vested the title in Alfred and Edgar Sadler, was a joint trust title.

Mr. Cooke: The defendant, Edgar Sadler, renews the objection as stated to the offer of the Exhibit 40 for identification last evening. We specifically object upon the ground that this is hearsay, that the declarations made in the document by the witness is not any evidence as to Edgar Sadler, whether relation of co-trustee existed or not. That in the case of two trustees and one dying, the surviving trustee would be the sole trustee and that Kathryn Powers Sadler is not a trustee at all under that rule. I think that was your Honor's holding before, since which time I have made an investigation of that phase. The declaration, so called, was filed after the suit was commenced and cannot be anything more than the mere statement on hearsay of this witness, based upon what some one else, presumably Alfred Sadler, told her. She doesn't pretend she has any personal knowledge of it and I

(Testimony of Mrs. Kathryn Powers Sadler.)

think this declaration is the same thing as going on the stand and testifying that Alfred told her [276] he had this interest and Edgar was trustee and soon, so we have this hearsay and this is incompetent and irrelevant, hearsay and we also have violation of the dead-man rule, it seems to me, because that is all that document can possibly amount to. It is an indirect way of getting incompetent and irrelevant testimony before the Court. The fact that it is put in the form of a written document and had a recording and all that, does not make it of any higher degree than some oral statement that Alfred told her these things and so far as she is concerned she acknowledges the truth of that, or something of that kind.

Mr. Thompson: Well, if the Court please, we do not offer it as binding as to Edgar Sadler. We offer it merely to show that insofar as the interest of the estate of Alfred Sadler is concerned, the title, which the record at the time of his death showed to be vested as an undivided one-half interest as a tenant in common in the deed, was a joint trust title and that his estate does not claim to own an undivided one-half interest in the ranch and declares that the entire legal title is now vested in Edgar Sadler as surviving trustee, subject to the provisions of the trust. It shows the legal position of the estate of Alfred Sadler. I would like to call your Honor's attention to the case of Sime against Howard in 4 Nevada, which holds that a declaration of trust may be signed and recorded at

(Testimony of Mrs. Kathryn Powers Sadler.)

any time and does not have to be made at the time of the creation of the trust. There are many other cases to the same effect.

Mr. Cooke: I don't make any question about that, if [277] it is made by the proper party and it is offered as evidence in the proper way in a proper case, the time of its filing and recording is immaterial, but counsel's statement here that they wish to show that this is a joint trust, of course means that it is a tendency to show that Edgar Sadler was a trustee. It is offered for the purpose of showing that Edgar Sadler is not entitled to prevail in this case. It is offered for the purpose of showing that Clarence Sadler is entitled to prevail, otherwise there would be no occasion to be offered at all. We are not concerned with the claim of Alfred, what he is claiming, by his legal representative. We do not make any point about Alfred Sadler or his being a co-tenant in the ranch, but to have this kind of document come in here and offer it as evidence against Edgar Sadler, we do strenuously object and think it would be very gross error.

The Court: The point that presents itself is this: Has an administratrix or executor the right or power to set out a certain parcel of property and by declaration as administratrix effect that property with particular character. Does this 4 Nevada case have anything on that point?

Mr. Thompson: No, your Honor, it was to the point, as I explained, as to time when declaration might be made.

(Testimony of Mrs. Kathryn Powers Sadler.)

The Court: It could be made by the party holding the title?

Mr. Thompson: Yes, your Honor. [278]

The Court: The party holding a legal title to property may at any time make a declaration as to the nature of that title and if it happens he is holding it in trust, he could so declare, but I am not so certain about the power of an administrator. For instance, John Doe dies and leaves property. Jim Smith is the administrator. Jim Smith might or might not be connected with the family, might be a public administrator. Can he effect a title of property by a declaration of his?

Mr. Thompson: Well, if the Court please, statutorily at common law title to real property vested absolutely in the heirs upon the death of a owner and that is still the rule, except as to this Nevada statute, which vests control of the property during the course of the administration in the administrator and empowers him or her to bring a definite action and do many other things with regard to the property that could not be done in the absence of that enabling statute. I do not have the citation of that statute readily available, but I can find it.

The Court: The objection is sustained and Exhibit 40 will not be admitted in evidence.

Mr. Thompson: You may cross-examine.

Mr. Cooke: I do not think we have any cross-examination.

(Testimony of Mrs. Kathryn Powers Sadler.)

Mr. Thompson: I believe, your Honor, that the defendant [279] will stipulate that the claims filed against the estate of Reinhold Sadler, deceased, in the estate proceeding brought in the First Judicial District Court of the State of Nevada, in and for the County of Ormsby, which were allowed and approved by the administratrix and the court aggregated the sum of \$25,103.25. I understand that stipulation will be made, subject to the right to correct the aggregate figure quoted in the event that it is found to be in error.

Mr. Cooke: And as to the fact that they were allowed, may we have the same stipulation there?

Mr. Thompson: That would be included. Well, the aggregate of the claims allowed and approved by the administratrix and the court was \$25,103.25, is that stipulation satisfactory, Mr. Cooke, subject to the right of correction of the amount prior to the settlement?

Mr. Cooke: If we should find any. I do not know off-hand, but I should like to reserve the right in case we do find any.

The Court: That stipulation then is satisfactory to both sides?

Mr. Cooke: Yes.

Mr. Thompson: Also that the real property belonging to the Reinhold Sadler estate listed in the inventory as a house and lot in Block No. 7, Phillips Addition, Carson City, Nevada, was during the estate proceedings by decree set over to Louisa Sadler, the widow of Reinhold Sadler, as a home-

(Testimony of Mrs. Kathryn Powers Sadler.)
stead. Will you [280] stipulate that is correct, Mr. Cooke?

Mr. Cooke: Yes, I think so. I think that is the fact. The records so show.

The Court: The stipulation will be satisfactory?

Mr. Cooke: Yes.

Mr. Thompson: Plaintiff rests, your Honor.

Mr. Cooke: We did not know that plaintiff would rest his case at this time and we would like to have a few minutes' recess.

The Court: The court will be in recess for 15 minutes.

(Recess taken at 10:30 a.m.)

10:45 A.M.

Mr. Cooke: If the Court please, at this time the plaintiff having rested, the defendant, Edgar Sadler, moves the court that a non-suit be rendered, upon the grounds that the plaintiff has failed to make a proper case to go to the court on the merits, for the reason, firstly, there is no evidence that at the time he died in 1906 Reinhold Sadler was the owner of the property described and referred in Paragraph 2 of Plaintiff's Amended Complaint, nor the owner of any interest in the property so referred to and which property is involved in the case. Secondly, that the plaintiff has failed to prove or show by any competent testimony or evidence tending to show that he had any interest in the Diamond Valley Ranch property or the equipment or any of the property described in [281]

the complaint in issue in the case, by reason of his being an heir of Reinhold Sadler, deceased; and thirdly, that there is no evidence to show that there was any consideration for the alleged and so-called trust agreement of March 2, 1918, in that there is no evidence that any consideration of any kind was passed at that time to or by or through or from Edgar Sadler for the making of the agreement, if it was made, and no evidence to show that the plaintiff had any interest in the property, whether by inheritance or otherwise, that would supply a consideration; fourthly, the trust agreement, so-called, of March 2, 1918, is not an agreement at all, in that it is obviously incomplete, in that it is not signed by the parties necessary to the completion of the agreement, in that only two at most have signed but that if the plaintiff and the other parties to that document claimed they had any interest, whether legal or equitable, in the property, their signatures to the agreement are just as requisite as the signatures of those holding the legal title, and not having been made, the agreement is unenforceable by a court of equity; fifthly, the paper denominated Exhibit 8, being the so-called trust agreement, does not purport on its face to create or constitute a trust, either by expressed terms or otherwise, but is merely at most an agreement, tentative or otherwise, between the parties mentioned for the sale of the ranch property and the livestock at the first advantageous opportunity or offer and for division of the proceeds and that this does not

constitute what equity denominates a trust; [282] sixthly, that the document shows on its fact that it is indefinite and remote in point of the title vesting; that is to say, the document offends against perpetuation, in that there is no requirement in the document that the legal title supposedly held by Alfred and Edgar Sadler must necessarily vest at any particular time, either within the period proscribed by rule against perpetuity of life for 21 years or thereafter or any other time, and that therefore the document is void against public policy and particularly in violation of that rule in that above stated. Alfred Sadler and Edgar Sadler, as well as the others, could continue their agreement far beyond the time limit by the rule against perpetuation and there is nothing in the document that would entitle any one interested in it to enforce by legal procedure a prosecution of the agreement at any time, either within or after the period of perpetuation. Those, I believe, constitute the chief points and the controlling points as we see them, as against the case made by the plaintiff. Of course, that does not take in the proposition of laches which we have set up in our answer, because this motion, as I understand it, is determinable solely upon the case as made now before the court, upon the evidence and the admitted facts. The question of the rule against perpetuity, we think, is a very serious one and we are prepared to present some authorities that we think are squarely on point in that. So far as that it concerned, that is merely a question of

law, and so with the document denominated the trust agreement. That is also solely governed [283] as a matter of law. It cannot be helped by any oral testimony under the mandate of the statute, and all of the evidence that is in would go, as counsel in effect admitted, for the purpose of voiding the apparent laches in time in commencing of the suit. Now if the Court wants us to present argument at this time, we are willing to do so, or if the Court prefers to make a formal ruling and without prejudice, we may renew the contentions later on, we are willing to do that. In other words, we do not want to argue the matter now at length unless the Court feels that that is a proper procedure. In other words again, we are in the hands of the court on the matter, but we feel to be consistent and to save the record we should present the motion, informally at least, and we will present it with complete argument if the Court so desires.

The Court: I understand that this will be in the nature of motion to dismiss under Rule 41, subdivision (b).

Mr. Cooke: Well, I confess we did not have any particular rule in mind. We just followed the whole evidence.

(Court reads Rule 41.)

Mr. Cooke: Yes, that seems to fit the case.

The Court: The motion will be denied.

Mr. Cooke: Of course this goes in with our general stipulation as to exception.

The Court: You may have an exception to the ruling.

Mr. Cooke: We are compelled to change our order of [284] proof somewhat by reason of the closing of plaintiff's case earlier than we expected. We will call Mr. Eccles.

JOHN ECCLES

a witness on behalf of the defendant, being first duly sworn, testified as follows:

Direct Examination

By Mr. Cooke:

Q. Will you state your name please?

A. John Eccles.

Q. Where do you reside, Mr. Eccles?

A. Hayward, California.

Q. What is your business or occupation?

A. Well, at the present time I am retired on disability from the railway mail service.

Q. You were formerly employed in the railway mail service? A. Yes, sir.

Q. Are you a married man? A. Yes, sir.

Q. Are you related to either Edgar Sadler or his wife in any way? A. Yes, I am.

Q. What is the relationship?

A. Mrs. Sadler is my sister.

Q. Did you ever do any farming or engage in any farming activities in the vicinity of the Sadler Ranch in Eureka County?

(Testimony of John Eccles.)

A. Yes, I owned a ranch there from 1915 to 1928.

Q. Do you own it now? [285]

A. I still do.

Q. You acquired that ranch in 1915?

A. Well, my mother had it at that time. I bought it from her in 1925.

Q. What I was getting at, Mr. Eccles, when did you first take any interest in ranching activities in or near the Sadler ranch? A. 1915.

Q. Before that where did you live?

A. Well, lived at Ruby Hill or Eureka.

Q. And prior to 1915 you had no experience in farming out in that region?

A. Well, my father ran his cattle there at Sadler's place a number of years.

Q. What were you doing?

A. Well, I was going to school.

Q. Prior to 1915 then is it true that you had very little personal knowledge of the ranching, cattle raising activities, out there of your father, Sadler's etc.?

A. Well, I didn't have much, no.

Q. Beginning in 1915 just what did you do with regard to any information as to conditions on the Sadler ranch, with regard to the cattle?

A. Well, we run our cattle together and branded them together.

Q. What was your brand?

A. T E on the left hip. [286]

Q. And the Sadler brand was what?

A. Two half circles.

(Testimony of John Eccles.)

Q. And about how many cattle, approximately, did you run, your father's?

A. Well, at that time we had 125.

Q. And in 1915 you ran your cattle along with the interlocking circle cattle of Edgar Sadler's, tell us, if you can, about how many of those cattle there were.

A. The half circle?

Q. Yes.

A. I would say along about 200 head.

The Court: Is that prior to 1915?

A. 1915, when I went there.

Q. That is what you found when you went there?

A. Yes, sir.

Q. Where were they running, what particular ranch in name?

A. Well, we called it North End Valley, around Union.

Q. When you say they were run together, would you have the round-up at the same time and brand at the same time?

A. Oh, yes, our cattle were always together.

Q. Did that condition continue down to 1918, for instance?

A. Yes, sir.

Q. And did it continue after that?

A. Yes, sir.

Q. How long afterward? [287]

A. Well, until I left the ranch in '28.

Q. In '28?

A. Yes, sir.

Q. What part did you have in the work? Did you ride the range and help the branding, or what did you do?

(Testimony of John Eccles.)

A. Well, I did practically all the riding, yes, and I branded the calves.

Q. And on those occasions would there be some one from the Sadler family with you or would you be doing it alone?

A. Well, we usually had hired help.

Q. You were there, I take it, from what you have already testified, in March, 1918?

A. Yes, sir.

Q. Do you remember anything about what took place at that time in regard to any change in ownership or operations of the Sadler ranch?

Mr. Thompson: Objected to on the ground it calls for conclusion of the witness and the record regarding ownership of the ranch is the best evidence.

The Court: Objection overruled. You may answer the question.

(Question read.)

A. Well, it was operated on the same basis.

Q. From 1915 to March, 1918, who, so far as you know, was in charge of the Sadler ranch and the livestock, etc.? [288]

A. Edgar Sadler.

Q. And in March of 1918 and following that what was the condition and who was in charge of operating the ranch?

A. Edgar Sadler.

Q. From that time on down to 1928 when you left, who was in charge and operating the Sadler ranch?

A. Edgar Sadler.

(Testimony of John Eccles.)

Q. Did you have occasion to know anything about the number of cattle, livestock, that were on the ranch in March, 1918, on the Sadler ranch?

A. Yes, I did.

Q. What were the brands that you knew of cattle on the ranch at that time?

A. Well, two half circles and the J C brand as we call it.

Q. To whom, do you know, did the two half circles, or interlocking half circles—is that right?

A. Two half circles we call it.

Q. —belong, if you know?

A. Belonged to Edgar Sadler.

Q. Did you know of another brand, some cattle that had another brand at that time?

A. J C cattle.

Q. Is that J C or J bar C?

A. Really J bar C, yes.

Q. Called J C for short? [289]

A. That is what we called it.

Q. Where were the J bar C cattle running in regard to the half circle cattle?

A. Well, running together.

Q. How long prior to March had that condition continued? A. Well, since I been there.

Q. That would be from 1915? A. Yes, sir.

Q. About how many of the J bar C cattle were there in March, 1918?

A. Well, I would say 20 or 25 head.

Q. What was the character of the stock as to their apparent age or the like? Can you tell us anything about that?

(Testimony of John Eccles.)

A. Well, I would say they were old stock, yes.

Q. Well, what was there about them that indicated to you that they were old stock?

A. Old cattle, you could tell an old cow.

Q. You mean a cow man can tell by looking at them? A. Yes, an old cow, yes.

Q. They just look old? A. Look old.

Q. Calling your attention to some time in the spring of 1946, did you visit Mr. Clarence Sadler at his home in Berkeley? A. Yes, sir.

Q. What time in the spring of 1946 was that?

A. Well, I would say it was the early part of the spring. [290]

Q. What was the occasion, or was there any particular occasion?

A. Well, went out for a visit and I thought I might act as a peacemaker between Edgar and him. I could establish the exact date because we went to a wedding on that day and went over after the wedding.

Q. Who was getting married, any relatives of the Sadlers?

A. No, a postoffice clerk, and we went to the wedding and then on up to Clarence's.

Q. You told us that you on that occasion brought up the matter of settlement of some kind between Edgar and Clarence?

Mr. Thompson: When did he testify to that?

Mr. Cooke: Just now.

Mr. Thompson: We object to the question as leading.

(Testimony of John Eccles.)

The Court: Let us have the question and answer.

Mr. Thompson: He said he acted as peacemaker.

(Last question and answer read.)

The Court: Objection sustained.

Q. Well, you went there to make peace, is that right? A. Yes, sir.

Q. What was the peace that you had in mind?

A. I thought the two brothers could get together and settle without going to court.

Q. Did you have any conversation with Clarence in regard to the matter at that time?

A. I did. [291]

Q. Where did that take place?

A. Well, at his home.

Q. At his home in Berkeley?

A. At Berkeley.

Q. Who else was present at the time?

A. Well, his wife was there and my wife and Clarence's little girl.

Q. What is the little girl's name?

A. Shirley, I think it is.

Q. Did you have any conversation with him at that time in regard to making peace?

A. Yes, I did.

Q. What was said?

Mr. Thompson: Objected to on the ground that any matter relating to a settlement or a possible offer and compromise is immaterial and incompetent.

The Court: Sounds like a good objection, Mr. Cooke. Objection will be sustained.

(Testimony of John Eccles.)

Mr. Cooke: We ask for the benefit of an exception on the ground that this does not come within the rule of excluding testimony in the case of compromise, because the evidence here does not show that this witness was authorized to make any compromise on behalf of Edgar Sadler or on behalf of anybody. He is merely a relative and friend of the family and volunteered to discuss the matter with Clarence Sadler with the idea of helping—

The Court: I will withdraw the ruling. You may answer the question.

(Last question read.)

A. Well, I said to Clarence, "Why don't you and Edgar get together." First I said, "What happened between you and Edgar?" I said, "Why don't you get together and settle it." He said, "I offered to settle it and he always told me I didn't have anything to do with it and now it is in court."

Q. Was there any time mentioned by him as to when he had offered to settle?

A. Well, he said in 1930, yes.

Q. Just how did he bring in the 1930 in the conversation?

A. Well, he said, "I offered to settle back in 1930."

Q. Did he mention any figure?

A. He did not.

Q. What else was said, if anything, by either you or him in regard to the subject of the dispute between him and Edgar?

(Testimony of John Eccles.)

A. Well, we talked for some time; wanted to see how they could dispose of it; thought probably Reinhold would buy it.

Q. Who mentioned that?

A. Clarence, and he also showed me the answer—I don't know what you call it, but I imagine the complaint, the answer Edgar sent back.

Q. So far as you know, it was the answer Edgar Sadler made in this case? [293]

A. Yes, I imagine that is what you would call it.

Q. Did you read it over?

A. I read parts of it, yes.

Q. Have you told us all of the conversation, as near as you can recall it, that took place at that time? I mean in regard to the ranch and its affairs and this dispute?

A. Well, practically, yes, I can't think——

Q. Well, "practically." If there is anything more, I wish you would state it.

A. I can't think of anything more at present.

Q. What were the ladies doing there, Clarence Sadler's wife and your wife, while you and Clarence were talking? How were they employed?

A. Mrs. Sadler was telling my wife about an operation she had had.

Q. Were they talking about that at the same time you and Clarence were talking about the ranch as you have testified? A. Yes, sir.

Q. Did either of the ladies offer any suggestions or attempt to participate in the conversation between you and Clarence?

A. Well, no, not right——

(Testimony of John Eccles.)

Q. How long did you stay there on that occasion?

A. Well, we stayed there an hour or more.

Q. The ranch that you owned and formerly operated adjoining the old Sadler ranch I think you told us was under lease to the Sadlers? [294]

A. Yes, sir.

Q. To whom, Edgar Sadler?

A. Edgar Sadler, yes, sir.

Q. What rental are they paying for that ranch?

A. Well, at first we rented it for \$400 a year and at present I am receiving \$300 and he always pays the taxes on it.

Q. What kind of lease is that in regard to the length of term?

A. Well, just from year to year.

Q. Is it a written lease?

A. Yes, it is written.

Q. It is a lease from year to year?

A. Well, I imagine that is what it is. It has been going on from year to year. I don't know if it is for less or not.

Q. It has been running on since when?

A. Since 1928.

Q. That is when you left? A. Yes.

Q. You left at that time to go——

A. To California, yes, sir.

Q. And since 1928 have you made any visit to the ranch out there and kept in contact with it or not?

A. Yes, sir, I have.

Q. About how often?

(Testimony of John Eccles.)

A. Well, not very often. I have been back three or four times. [295]

Q. Since 1928? A. Yes, sir.

Q. Has there been any change or any improvement made with regard to your ranch by Mr. Sadler since 1928?

A. I imagine he has built some fence; practically all.

Q. How about the cultivated land?

Mr. Thompson: Objected to. It is irrelevant and immaterial. Mr. Eccles' ranch isn't involved in this case.

Mr. Cooke: It is involved. It is set up in our answer. It is part of our holding and we have been operating that in connection with the Sadler ranch.

The Court: I can't see where that would be material. Objection sustained.

Mr. Cooke: I would like to make an offer of proof in this connection.

The Court: All right.

Mr. Cooke: That I think it would show by this witness that since 1928 Edgar Sadler has, while in possession under the lease, expended substantial sums of money in developing new ground and new acreage, plowed acreage, pertaining to the Eccles leased land and additional crops have been put in and a good deal of work has been done by way of improving the entire fence condition and repairing and new fences.

(Testimony of John Eccles.)

The Court: May I ask if the plaintiff in this case claims any interest in that lease by virtue of this [296] action?

Mr. Cooke: I do not know.

The Court: If the plaintiff does, I will say then maybe this evidence will be material.

Mr. Cooke: I can't answer that.

Mr. Thompson: We do not claim that the trust should be impressed upon any of Mr. Eccles' ranch, your Honor.

The Court: The question I had in mind is whether or not it is claimed that the trust should be impressed upon any interest that Mr. Edgar Sadler has in this lease.

Mr. Thompson: No, your Honor.

The Court: Objection will be sustained.

Mr. Cooke: I might add, for the information of the Court, that we weren't offering it on the basis of any claim by Clarence's interest in the lease, but rather offering it as a part of the defense of laches which is based upon our operations out there and the work that we did in reliance on the condition which we claim that the plaintiff himself created.

The Court: The ruling will stand.

Mr. Cooke: I think that is all.

Cross-Examination

By Mr. Thompson:

Q. Mr. Eccles, are you familiar with the Diamond Ranch?

A. Diamond Valley Ranch, yes, sir. [297]

(Testimony of John Eccles.)

Q. Is that the same ranch you have referred to in your testimony as the Sadler ranch?

A. Yes, sir.

Q. One of the brands has been described in the testimony in two ways. I think Mr. Cooke described it as an interlocking quarter circle brand and you said two half circles. Are you talking about the same brand?

A. I imagine so, yes. We call it two half circles. Mr. Cooke, I assume, is referring to the same brand.

Q. What cattle that you saw on the Diamond Ranch between 1915 and 1918 which you claim belonged to Edgar Sadler bore the two half circle brand, is that it? A. Yes, sir.

Q. How long had cattle bearing that brand been grazing on the Diamond Ranch, so far as you know?

A. Well, I went there in 1915 and I know they had been grazing long before that.

Q. At that time did you know whether Edgar Sadler was operating the ranch for others? Did you know yourself? A. I did not.

Q. He might have been operating it for others, so far as you know?

A. He might have, I didn't know.

Q. All you know that he was there and he was in charge of the ranch operation?

A. That's right, and I thought he owned it. [298]

Q. But that is the limit of your knowledge about it, is that he was there? A. Yes, sir.

Mr. Thompson: I move that the statement, "I thought he owned it" be stricken, your Honor.

(Testimony of John Eccles.)

The Court: All right. It may go out.

Q. The same applies to the cattle on the ranch, does it not, Mr. Eccles? A. Yes, sir.

Q. You knew that Mr. Edgar Sadler was there on the ranch, that he was taking care of and managing those cattle, is that true?

A. That's true.

Q. But you don't know whether he was managing them for somebody else?

A. No, I don't know that.

Q. In the spring of 1918 how many cattle altogether were on the Diamond Ranch?

A. Including everybody?

Q. Yes.

A. My own—well, I would say about 220 or 225 head.

Q. I mean altogether, including your cattle?

A. Oh, not including ours, no, not including my own. Well, there were over 300.

Q. Were the J bar C brand and the two half circles brand the only two brands that were used by the Sadlers at that time? [299] A. Yes, sir.

Q. And the other cattle on the ranch bore other brands, is that correct? A. That is correct.

Q. They all ran together?

A. They all ran together, yes.

Q. Now in March, 1918, how many head of cattle bearing the two half circle brand were on the ranch, if you recall?

A. Oh, I would say around 200 head.

Q. Wasn't it in December, 1945, that you visited Clarence Sadler in Berkeley?

A. It may have been, yes.

(Testimony of John Eccles.)

Q. How long had it been since you had visited him there?

A. Well, I hadn't been there, to this particular house of his before.

Q. How long had it been at that time since you had visited him at any other house?

A. Several years.

Q. You went there specifically to talk about the dispute between Edgar and Clarence, is that correct?

A. Well, yes, visit at the same time.

Q. And just before that time you had been at the Diamond Valley Ranch talking to Edgar, had you not?

A. I had been to the Diamond Valley Ranch that fall, yes, or was it that fall? Yes, it was last fall. [300]

Q. Now as I recall your testimony, Clarence Sadler told you that he had offered to settle his interest with Edgar in 1930, as you remember it?

A. That is what I recall, yes.

Q. And he also said that he had tried to get, I think you said Rinie, to buy it, is that right?

A. No, I didn't say——

Q. Well, I misunderstood.

A. No, I said when we were talking about the ranch, Clarence said "Maybe Reinhold would buy it."

Q. And who is Reinhold? To whom was he referring? A. Reinhold Sadler.

(Testimony of John Eccles.)

Q. That is Edgar Sadler's son?

A. Yes, sir.

Q. Didn't Clarence Sadler tell you at that time that shortly after Alfred Sadler's death, Edgar Sadler had told him that he didn't have any interest in that? Don't you recall Clarence telling you that?

A. I do not.

Mr. Thompson: That is all.

Re-Direct Examination

By Mr. Cooke:

Q. Mr. Eccles, with reference to the brand you call the half circle, did you hear of anybody claiming those cattle outside of Edgar Sadler?

A. I never did, no.

Mr. Cooke: That is all. [301]

MRS. ETHEL SADLER

a witness on behalf of the defendant, being first duly sworn, testified as follows:

Direct Examination

By Mr. Cooke:

Q. State your name, please, Mrs. Sadler?

A. Ethel Sadler.

Q. You are the wife of Edgar Sadler?

A. I am.

Q. Where do you reside, Mrs. Sadler?

A. On the Diamond Valley Ranch in Eureka County.

(Testimony of Mrs. Ethel Sadler.)

Q. How long have you resided there?

A. Ever since I was married, with the exception of four years when my daughter was going to high school. I had my sister's three girls here with me, put them in school at the same time.

Q. When were you married, Mrs. Sadler?

A. I was married September 11, 1907.

Q. And ever since, with the exception of the four years you just mentioned, you have resided on the ranch?

A. I have.

Q. Who were the other members of the family residing there at the same place with you and your husband right after you were married? Anybody else beside you and him?

A. Well, we had an old uncle, called him Uncle Charlie. He was a brother of Reinhold Sadler's.

Q. Reinhold Sadler, Sr.?

A. Yes. [302]

Q. And he continued to live there for some time, did he?

A. Well, I would say for several years.

Q. And what, in a general way, were your duties at the Ranch? What did you do?

A. Well, I did everything. I cooked for the hay crews; I did everything.

Q. You had help occasionally, did you?

A. Well, the hired girl in haying time.

Q. And that has continued in that same general way from 1907 down to date?

A. Yes.

Q. With the exception of four years you were away from there?

(Testimony of Mrs. Ethel Sadler.)

A. Well, Reinhold's wife, when he was married, she helped me. Just after we were married, too, we had a Chinaman. I was young then and I wasn't much of a cook.

Q. You know Clarence Sadler, the plaintiff in this case? A. I do.

Q. When did you first meet him?

A. Well, he came to the ranch, I believe, a short time after we were married. My husband was in the Legislature and that's the first time, I think, I met Clarence Sadler, I think it was in the Legislature. They had a special session.

Q. Do you know about what year that was?

A. That wasn't long after we were married. That must have been the year we were married. It was 1907. [303]

Q. It was then that you first met Clarence?

A. Yes.

Q. And did he remain there in that vicinity for any length of time then?

A. He was at Carson City with his folks. That is where we met Clarence.

Q. You met him at Carson City, not at the ranch? A. No.

Q. After the legislative session was over, you and your husband returned to the ranch, did you?

A. No, we went down to Berkeley for a little visit.

Q. Yes, I know, but after that you went back to the ranch and resumed your ranching activities?

A. Oh, yes.

(Testimony of Mrs. Ethel Sadler.)

Q. When did you next see Clarence Sadler at the ranch?

A. Well, after we were married he used to come out and hay for us in the haying season.

Q. How often would that be?

A. Well, I can't be sure of that. I would say maybe two or three different times.

Q. Would that be before or after 1918?

A. Oh, that is before.

Q. Do you know where Clarence Sadler was in 1918? A. Washington, D. C.

Q. About what year or years was it that he was out there helping [304] with the hay?

A. That was after I was married, after 1907.

Q. Prior to 1918? A. Yes.

Q. How long prior to 1918 would you say?

A. Oh, well, I would say it might be about eight years.

Q. Then for eight years or so immediately preceding 1918 he wasn't on the ranch? A. No.

Q. And after March, 1918, can you tell us when you next saw Clarence Sadler?

A. 1925, in July of 1925.

Q. Where was that?

A. That was at our place. Reba and Clarence came for a visit.

Q. When you say Reba, that is Mrs. Clarence Sadler? A. Yes.

Q. How long did they remain at that time?

A. Well, I would say five or six days.

(Testimony of Mrs. Ethel Sadler.)

Q. What was Clarence Sadler doing out there during that period? A. Just visiting.

Q. Well, how did he employ his time; stay around the house, hunting, or working?

A. No, he was always outside. He wasn't in the house much. Hunting.

Q. And his wife stayed and visited with you in the house. [305]

A. She did.

Q. Did you hear any conversation between your husband and Clarence Sadler in regard to the ranch conditions at that time? A. I did.

Q. With reference to the time that Clarence and his wife landed there, when did that conversation take place? How soon after about?

A. Well, I would say it was a day or two before they left.

Q. And where did the conversation take place?

A. Well, it took place in our kitchen. I was cooking and we had a flood the day before and these two big rooms that we had built belonged to the bunk house, wasn't fixed, and this big flood, the water came right through the living room window.

Q. And the conversation that you just testified about the ranch between your husband and Clarence Sadler took place after the flood?

A. Yes, we were in the kitchen. We had rainy weather.

Q. Who were present beside you and your husband and Clarence?

A. Reba, Clarence and Edgar and I.

Q. Just the four of you? A. Yes.

(Testimony of Mrs. Ethel Sadler.)

Q. Tell us what was said and who said it, in regard to the ranch conditions, particularly in regard to any claim of Clarence Sadler's to the ranch.

A. Well, Clarence Sadler said he was going over and start something [306] with Edgar Plummer and Edgar told him that when his father died he was only managing the Diamond & Huntington Valley ranches, that is what Edgar told him, and he said he bought the ranch in 1918 and Clarence hadn't anything to do with it.

Q. Who said that? A. Edgar.

Q. That is your husband? A. Yes.

Q. Did Edgar make that statement?

A. Yes, and Clarence never said another word and the next day we went to visit Plummers. We took them over to Plummers; we were with them and he never said a word then there to Edgar Plummer.

Q. Did Clarence make the statement he was going over to see Edgar Plummer after or before your husband told him that he bought the ranch in 1918 and Clarence didn't have any interest in it?

A. Do you mean that day he was there or that time?

Q. No, I am trying to find out the order in which the subject was discussed.

Q. Well, he said in this conversation that he was going to see Edgar Plummer.

Q. Was that before or after Edgar told him he didn't have any interest in the place?

(Testimony of Mrs. Ethel Sadler.)

A. Edgar told him right after that, that he didn't have any interest in the place. He bought it in 1918.

Q. What I was trying to find out, Mrs. Sadler, was just what led [307] up to Clarence's saying he was going over to see Edgar Plummer. Did he say what he was going to see him about?

A. See about the ranch, to start something.

Q. What, if anything, had been said immediately preceding his statement that he was going over to see Edgar Plummer about starting something, what led up to that?

A. Well, when Edgar and Clarence were together they were always dickering about the ranch.

Q. Have you told us now all that you recall about that particular conversation?

A. Yes, I have. What struck me at the time was that after Edgar told him he never said any more. I think that is what impressed it on me.

Q. After Edgar told him he bought the ranch in 1918 and Clarence didn't have any interest in it, Clarence didn't say anything more?

A. He didn't say any more.

Q. When, if at all, were you next present at any conversation between your husband and Clarence in regard to ranch conditions? A. 1938.

Q. Where did that conversation take place?

A. That conversation took place in the living room.

Q. At the ranch house? A. Yes.

Q. Who was present on that occasion?

A. Floyd Sadler was present. [308]

(Testimony of Mrs. Ethel Sadler.)

Q. Your son?

A. My son, yes; Edgar Sadler and Clarence Sadler and I was cooking. I was back and forth from the kitchen into the living room.

Q. And did you overhear any conversation between your husband and Clarence in regard to Clarence's claimed interest in the ranch?

A. The time I went in he was telling about these millionaires down in Los Angeles buying ranches.

Q. Who was?

A. Clarence, and he wanted to list these ranches. Edgar always got cross when Clarence brought anything up like that and he said, "You haven't got anything to do with it."

Q. What did Clarence say to that, Mrs. Sadler?

A. Clarence never did say anything after that when we said things like that to him. He never said anything.

Q. Was there any subsequent time when you had any conversation or overheard any conversation between your husband and Clarence in regard to the ranch?

A. No.

Q. That was the last one?

A. That was the last one.

Q. Was Clarence Sadler out there at the ranch, so far as you know, on any occasion between 1925 and 1938?

A. Yes, I think when I was in Reno Clarence Sadler was out there.

Q. All you know about that is from hearsay, is that right? [309]

(Testimony of Mrs. Ethel Sadler.)

A. Well, Clarence Sadler called to see us at University Avenue.

Q. Do you remember about when that was?

A. Well, it was when I come down to take my daughter down to school at the University of Nevada.

Q. But can you give us the approximate year?

A. Oh, what year?

Q. Yes.

A. Oh, that was the first year—I would say that was in 1933.

Q. And he was on his way to the East, or the ranch, at that time? A. I don't know.

Q. He called at your place? A. Yes.

Q. You understood he was going on out East?

A. Well, I don't know if he went to the ranch after that or not.

Q. But you did understand he had been at the ranch or was going there, one of the two, is that right? A. Yes.

Q. After 1938 and down to the commencement of this action in 1944, was it a fact as to whether Clarence Sadler was out to the ranch at any time or not? Was Clarence Sadler out to the ranch any time after 1938 that you know of? A. No.

Q. You said something about a bunk house, is that the house that you were living in after some other house was destroyed?

A. Well, the home we lived in burned down.

Q. When was that fire? A. 1922.

Q. And was it then that you and your husband fixed up this bunk house as your home?

(Testimony of Mrs. Ethel Sadler.)

A. Yes, the bunk house. It was a stone building and we had to do a great deal of renovating on this stone building and we made three bedrooms out of the bunk house and we built two large rooms.

Q. That is on to the bunk house?

A. Yes, a living room and a great big kitchen.

Q. Do you know anything about the expense involved in the repair of that bunkhouse for a residence?

A. Well, it took plenty of money. The carpenters were paid there—they started about July to work there.

Q. Do you know anything about what it cost, or approximately what it cost?

A. Well, I know my husband had a life insurance policy that he used.

Q. How much money did he get out of that?

A. \$1800.

Q. What can you say as to whether all of that was employed in the work of rebuilding or repairing the bunkhouse? A. Yes.

Q. All of it? A. I would say all of it.

Q. Something was said in regard to the funeral of a brother of [311] yours. Was he the one named Tom? A. Tom Eccles was my brother.

Q. Do you remember about when that funeral was?

A. The funeral was in 1939. My brother was 39.

Q. Where was it held? A. The funeral?

Q. Yes. A. In Oakland, California.

Q. Were you there? A. I was.

(Testimony of Mrs. Ethel Sadler.)

Q. Was there any talk on that occasion in regard to the ranch conditions with any of Clarence Sadler's folks?

A. Well, there wasn't any talk in my presence and I thought the reason they didn't bring it up before me was because they were sympathizing with me when my brother was dead. He just died.

Q. Your statement, however, is that there was no talk on that subject in your presence?

A. No, there was not.

Q. Who was with you on that occasion?

A. Do you mean staying at Clarence's home?

Q. Yes, when you were visiting there after the funeral?

A. My sister Rebecca and Edgar and myself.

The Court: We will take our recess until 2:00 o'clock.

(Recess taken at 12:00 noon.) [312]

Afternoon Session, October 17, 1946, 2:00 P.M.

Appearances same as at morning session.

MRS. ETHEL SADLER

resumed the witness stand on further

Direct Examination

By Mr. Cooke:

Q. Mrs. Sadler, from about 1925 down to date, or down to the time of Alfred's death, what was the nature of the relations between the family, yourself

(Testimony of Mrs. Ethel Sadler.)

and Edgar, with Clarence and his family? Were they friendly or otherwise?

A. Well, I never liked to see Clarence come to my home and I never liked to go to his home. I thought it was too bad the brothers didn't get along better. I wasn't happy about it at all.

Q. Was there any other trouble besides the trouble about the ranch?

A. No, that was all the trouble.

Q. And that began about when?

A. Well, after that decree was signed in 1918.

Q. When did you first notice that there was any feeling of any kind as between Edgar and Clarence over that property?

A. Well, it was signed in Alfred and Edgar's name, that decree. I never knew that Clarence had anything to do with it.

Q. But you told us a while ago that the relations between you were at one time strained, that is right, is it? A. Yes.

Q. When did that first begin? [313]

A. Well, they came to visit in 1925 and I think Reba and I wrote a little after that but I would say after 1938 I never received a letter from them.

Q. You have told us about the conversation you heard between Edgar and Clarence, where Edgar made some statement that Clarence had no interest in the property in 1925? A. Yes.

Q. Was it about that time that this unfriendly condition arose or not?

A. Yes, I would say about that time.

(Testimony of Mrs. Ethel Sadler.)

Q. And did it get better or worse as time went on? A. Well, I would say worse.

Q. With regard to the exchange of letters did you, as people situated as you were ordinarily do, did you correspond frequently? A. No.

Q. Well, from 1925 to 1938, for instance, about how many letters a year would you say were exchanged between you and Clarence?

A. I don't remember that too well, but very few, I wouldn't say four a year.

Q. How about Alfred's family, were your letters more frequent there or not? A. Yes.

Mr. Thompson: We object to that—move the answer be stricken for the purpose of the objection.

The Court: It may be stricken. [314]

Mr. Thompson: We object on the ground it relates to transaction with a deceased person, which is prohibited under our statute.

The Court: It was addressed to the family.

Mr. Thompson: You are not referring to Alfred?

Mr. Cooke: Alfred's family I am referring to, but I will say Mrs. Alfred Sadler, about how frequently would you and she exchange letters?

A. I always answered Kathryn's letters. She wrote far more often.

Q. Now after 1938 when you told us that Clarence was out to the ranch and he and Edgar had another talk about Clarence's claimed interest in the ranch, was there any change in regard to the correspondence after that date as compared with

(Testimony of Mrs. Ethel Sadler.)

the correspondence before that date with Clarence's family?

A. When Clarence went back, he and this other man with him sent some nuts and I believe, to the best of my knowledge, that that might have been the last time we ever wrote to them.

Q. When would that be?

A. That would be after 1938.

Q. Shortly after or some considerable time after?

A. He sent the nuts when he went back.

Q. That would be shortly after then?

A. Yes.

Q. Since that time, as far as correspondence between you and [315] Clarence Sadler's family, that is the last one that you recall?

A. That is the last one I recall.

Q. Going back to the occasion in 1925 when Clarence and his wife were there, I think Clarence testified that they were there three days, as he recalled it. Do you know anything about the number of days that they actually stayed there?

A. I would say they came on July 18th and left on July 24th.

Q. That was the time when you had that flood out there?

A. Yes.

Q. Now in your husband's answer in this case, in Paragraph 1, subsection of paragraph (c), it is alleged among other things that you inherited some money?

A. Yes, sir.

Q. Which you invested in the property or in livestock out there?

A. Yes, sir, I did.

(Testimony of Mrs. Ethel Sadler.)

Q. You have read that allegation in your husband's answer? A. Yes.

Q. You are familiar with its contents?

A. Yes.

Q. How much money did you inherit on that occasion and from whom?

A. I inherited from my mother and it was either \$2500 or \$2600.

Q. What did you do with that money or any portion of it?

A. I helped to buy those cattle that we bought in 1931.

Q. How much money of yours that you received from this inheritance was applied to the purchase of the cattle? [316]

A. I bought some calves with it. It was all spent on the ranch, whatever it was.

Q. What I am particularly concerned with is the amount that went into the cattle?

A. About two thousand dollars, I would say.

Q. You received that from your mother's estate in what year? A. She died in 1929.

Q. And you invested it in these cattle in what year? A. 1931.

Q. How did you keep that money from 1929 to 1931?

A. Well, it took a little while to settle the estate. We didn't get it right away.

Q. I mean when did you actually get it from your mother? When was it actually handed to you?

A. Oh, I can't remember that.

(Testimony of Mrs. Ethel Sadler.)

Q. How long before you bought the cattle did you get that \$2600?

A. I had it a little time because I remember Edgar coming to the Legislature and I came with him and I had to have some clothes and I bought some then.

Q. Well, you had it some little time before you bought the cattle? A. Yes.

Q. From whom were these cattle purchased?

A. I think a man by the name of Mead, Mead & Company, I think.

Q. Was there any other cattle purchased at the same time, that is with funds contributed by any other member of the family? [317]

A. Well, my son lost his eye there and he got industrial insurance.

Q. That is Reinhold? A. Reinhold.

Q. Do you know how much, about how much, he got?

A. He spent, I believe it was about \$1600 of his money at that time on the cattle.

Q. He put the cattle over with yours?

A. Yes.

Q. And did your husband Edgar put up any money for the same bunch of cattle? A. Yes.

Q. Do you know anything about the total amount of cattle bought at that time?

A. 100 head, I think, 50 heifers and 50 calves, I believe.

Q. And they were all bought from this Mead?

A. Yes.

(Testimony of Mrs. Ethel Sadler.)

Q. Did you get a bill of sale?

A. Oh yes, we have the bill of sale.

Q. Have you got it?

A. We have it with us.

Q. Did you ever see the bill of sale?

A. Oh yes.

Q. I will show you a paper dated Battle Mountain, Nevada, July 28, 1930, and purporting to be signed R. M. Mead & Company by R. [318] M. Mead, Secretary and Manager, and ask if you will look at that and state if that is the bill of sale that you referred to a moment ago? A. It is.

Q. Was that delivered on or about the date that it bears? A. Yes.

Mr. Cooke: We offer it.

Mr. Thompson: We have no objection, your Honor.

The Court: It may be admitted in evidence as Defendant's Exhibit B.

Q. What was the brand on the cattle that you purchased at that time, if you know, Mrs. Sadler?

A. That we bought from those people?

Q. Yes, the so-called Mead purchase.

Mr. Thompson: It is in the bill of sale.

A. I believe it was a hat.

Q. Hat brand? A. Yes.

Q. Do you know where, what part of the body?

A. No, I don't know.

Q. This bill of sale says on the left thigh. Does that refresh your recollection?

A. No, it doesn't because I never paid too much attention.

(Testimony of Mrs. Ethel Sadler.)

Q. The bill of sale reads 102 cows branded a hat, also 41 calves, that would be 143 head altogether. Does that correspond [319] to your recollection as to the cattle you say were bought?

A. Oh yes sir, that is the correct number.

Q. You mentioned Reinhold Sadler and his contribution and purchase of a portion of these cattle. Do you know anything about how the cattle were branded after they were received from Mead?

A. Well, Reinhold's brand is my brother's old brand T E.

Q. That is Mr. Eccles that testified on the stand here? A. Yes.

Q. And Reinhold took over his brand?

A. I think he purchased it from him.

Q. And he branded his portion of the cattle T E?

A. He did.

Q. How were the cattle that you paid for branded? A. Two half circles.

Q. That is your husband's brand, your family brand, yours and your husband's? A. Yes.

Q. How soon after the purchase was that branding done?

A. Well, I can't tell you that. Soon after because after they buy cattle they vent them.

Q. And venting consists of what?

A. I believe the people you buy the cattle from have to be present to vent them from you.

Q. How soon after the purchase was the Sadler brand—by that I mean the interlocking half circles—brand, when was that put on [320] these cattle?

(Testimony of Mrs. Ethel Sadler.)

A. Well, we bought those cattle in haying time and I would say right in the fall.

Q. So if I understand you correctly, what cattle were not branded with the T E brand by Reinhold, were branded with this quarter circle interlocking?

A. Yes.

Q. What was done with the cattle after they were branded?

A. We had to feed them that winter and that was the hard winter in 1932 and I tell you everybody lost cattle that year. You didn't know if you would have any left when the winter was over. The winter started in November 15th.

Q. Did Edgar have any cattle on the ranch when he bought the Mead cattle? A. Yes.

Q. He had quite a number? A. Yes.

Q. Do you know approximately how many he had before he bought the Mead cattle?

A. It must have been over 200 head.

Q. Tell us about the Mead cattle he purchased and the T E cattle of Reinhold's, were they kept separate from Edgar's old bunch or not, or all thrown in together?

A. All thrown in together.

Q. So that there would be a matter of several hundred head of [321] old quarter circle cattle in there with these cattle that you got from Mead?

A. Yes.

Q. Now where does Reinhold Sadler live?

A. They have a house a little distance from ours.

Q. Do you know when that house was built?

(Testimony of Mrs. Ethel Sadler.)

A. Yes, I do.

Q. When?

A. Well, it was built when I was down here with Violet going to school.

Q. Yes, but some might not know when you were here with Violet.

A. I would say it was finished about 1937.

Q. Do you know anything about who paid for the construction of the building?

A. I do. My daughter-in-law taught school and my son had the stage.

Q. Your daughter-in-law?

A. Yes, Reinhold's wife.

Q. What is her name? A. Verna.

Q. And Reinhold was driving stage?

A. Yes.

Q. Do you know how much money Verna actually put into it?

A. She put the biggest portion into the house. She put all she made into the house. [322]

Q. Do you know what it cost, approximate cost for construction?

A. They figured about two thousand dollars.

Q. And Verna paid the major portion of that?

A. Yes.

Q. Who paid the other portion?

A. Well, Reinhold Sadler.

Q. From his earnings as a driver of the stage?

A. Yes.

Q. Where did he drive the stage?

A. From Eureka to our place.

(Testimony of Mrs. Ethel Sadler.)

Q. Is that a regular stage line?

A. Yes.

Q. Was he working on a salary at that time?

A. He got paid for driving the stage, yes.

Q. That is what I mean, he was working on a salary?

A. Yes.

Q. And he and his wife, Verna, have resided in that house ever since?

A. Yes.

Q. How far is that house from your house, you and Mr. Sadler?

A. Well, I wouldn't say it is—it wouldn't be a twentieth of a mile. Oh, no, it isn't that far either.

Q. Right close up?

A. Yes.

Q. Where did Verna teach school? [323]

A. We had the Diamond School District there.

Q. Was that before she married or after she married?

A. She was teaching at our place when she married and she taught after.

Q. I show you Plaintiff's Exhibit No. 36. I wish you would look that over and state if you will whether you have seen that, or any portions of it, before and if so, under what circumstances. Did you ever see it before?

A. I can't tell, Mr. Cooke. I didn't pay too much attention.

Q. I call your attention——

A. We were trying, at one time we had to get a \$4200 loan. The bank was forcing us to sell what cattle we had. We were pretty well compelled—I

(Testimony of Mrs. Ethel Sadler.)

remember we had to do a lot of correspondence about that but I don't know——

Q. This letter——

A. My husband might be better able to answer that than I am.

Q. This paper contains a copy of letter from Mr. L. H. Harch to Edgar Sadler. On the bottom is Edgar's note about this note as follows: "You can see what they say about it. Can't borrow at that rate. Better give the property away." Does that refresh your recollection, having seen that, why your husband put the note upon the original and sent it on?

A. What year is that dated?

Q. That is November 22, 1933. The point is, if you remember Edgar putting any notation upon a letter of that sort, upon the [324] Hatch letter?

A. Well, Mr. Cooke, I was in Reno with Violet at that time.

Q. So you don't recall anything about that?

A. I don't.

Q. Now, calling your attention to Plaintiff's Exhibit 28, look that over and state if that is in your handwriting and under what circumstances you came to make it, if you made it at all?

A. That is my handwriting.

Q. When you say that is your handwriting, you are referring to the part on the Nevada State Legislature heading, Senate Chamber?

A. Yes.

Q. The other part, can you identify the writing?

A. That is Alfred's.

(Testimony of Mrs. Ethel Sadler.)

Q. Do you recall anything about making this or who you furnished it to or why it was furnished or anything about it?

A. I don't. I can't remember.

Q. Do you recall any discussion between yourself and your husband in regard to the matter just before sending that away, in connection with it?

Mr. Thompson: She can answer that yes or no.

Q. Do you recall having any talk with your husband about the subject matter about what appears in your Senate Chamber heading?

A. Right now I can't even remember that.

Q. And you don't recall having any talk with your husband about the subject matter at all? [325]

A. No, I can't remember.

Q. Mrs. Sadler, you refer to hard times out there and having to mortgage the property, etc. What was, so far as you know, the general situation, we will say from 1925 down to date, or down to the time this suit was commenced, with regard to financing the ranch and the ranch operations?

A. Mr. Cooke, I will say I never saw anything but hard times in my life at the Sadler ranch. These last few years it was a little better.

Q. What do you mean by hard times?

A. Had to borrow all the time, never out of debt. From the RAC there had to get commissioner's loan from the bank for \$4200. The bank was going to take the few cattle we had; I don't know whether first or second mortgage; commissioner's loan, had a great deal of trouble getting that; thought we would never get it, just sunk.

(Testimony of Mrs. Ethel Sadler.)

Q. Did you participate in the negotiation of these mortgages to any extent?

A. I certainly did in that commissioner's loan.

Q. How about the others? How many in all would you say were put on there from 1925 down to 1944?

A. It seemed to be nothing but mortgages. It was the RAC——

Q. The number I am asking about, approximate number. Have you any idea?

A. I can't tell you. [326]

Q. Did you join with your husband in signing?

A. Oh, I had to sign, yes.

Q. Did either you or your husband have income from any other source than the ranch, other than what you told us?

A. He was county commissioner and he was assemblyman, he was senator and then he drove stage, too, and I had the school, too, for just four months once, to finish a term.

Q. What did you do, did you teach school?

A. Well, that time I taught school, I surely remember that. It was just before the fire, when the house burned down.

Q. That was in 1922, wasn't it? A. Yes.

Q. And then you said your husband drove stage?

A. Well, we had the stage before Reinhold had it. Wallace Bailey had it, too.

Q. When was it that he drove stage?

A. When I married him he was driving stage.

(Testimony of Mrs. Ethel Sadler.)

Q. That is going too far back for the present purpose. Did he drive stage any time, we will say, after 1918?

A. Yes, I think so. Reinhold wouldn't be old enough at that time, I think, to have it.

Q. Edgar, your husband, had the stage before Reinhold took it over, is that right?

A. No, Mr. Barkine had it and Wallace got it and Edgar had it. Well, the railroad washed out in 1910. We drove the stage at [327] that time. The stage had to go from Palisade to Eureka and we drove——

Q. Mrs. Sadler, I am not inquiring about what happened prior to 1918. Did Edgar drive the stage at any time after 1918, would you say?

A. Well, I can't say for sure.

Q. How about his term as commissioner, can you state about when that was with reference to 1918? Was it before or after?

A. Yes, I would say he was commissioner after 1918.

Q. Do you know how long he was commissioner?

A. No, he could answer those questions better than I can.

Q. Doubtless, but I am trying to find out what you may know. Do you know anything about what salary he got?

A. \$50 a month and then they raised it.

Q. When you say "commissioner," you mean county commissioner of Eureka County?

A. Yes.

(Testimony of Mrs. Ethel Sadler.)

Q. Then you say he was in the assembly?

A. Yes.

Q. And he got the regular salary?

A. Yes.

Q. And he was in the senate? A. Yes.

Q. And he was in the senate and he got the regular salary there? How long was he in the senate? [328] A. Just four years.

Q. Was it two terms or after they made it one term?

A. Well, one term is four years for the senate.

Q. How many terms as assemblyman did he serve?

A. I would say two, that would be four years. That is he was elected. He was really assemblyman when I first married him. He served three times.

Q. This term of assemblyman here was after 1918? A. Yes.

Q. You haven't told us the year or years have you? Do you know about when it was he served as assemblyman?

A. I believe it was around—I know my daughter was in the eighth grade.

Mr. Thompson: If you know when it was, Mr. Cooke, we will stipulate.

Mr. Cooke: Well, I think it was 1930, as near as I can recall.

Q. When did you learn in any way for the first time that Clarence claimed to have this trust agreement, so-called, that is marked in this case Exhibit 8? You know what I am referring to, don't you?

(Testimony of Mrs. Ethel Sadler.)

A. Well, when the suit was started, that is the only time I ever knew of it, ever heard of it.

Q. From whom or how did you learn of it then?

A. Well, it came in that suit. [329]

Q. It came in the suit, what do you mean, came in the suit? A. When he started the lawsuit.

Q. Do you remember of seeing what purported to be a photostat copy of the document?

A. Well, I believe that is what we had.

Q. That was received from me, was it not?

A. Yes.

Q. You saw it after the commencement of the suit? A. Yes.

Q. That is the first thing you knew about it?

A. No, I think the sheriff brought it.

Q. Yes, but I am talking about the photostatic copy of the document. You didn't know anything about that? A. No.

Q. And you never saw that so-called trust agreement until the suit was commenced against Mr. Sadler? A. I never did.

Q. Do you know anything about insurance policies that your husband carried, taken out by him prior to 1918?

A. We had an insurance policy when we built the house. We had two insurance policies when I came to Reno here.

Q. Well, you collected on one policy, at least your husband did? A. Yes.

Q. And that was put into the house you testified?

A. Yes, that was. [330]

(Testimony of Mrs. Ethel Sadler.)

Q. And then you referred to two other policies?

A. I did.

Q. When you came into Reno—what date would that be?

A. That must have been 1933 when I came in.

Q. What about those policies? Did your husband get any money on them, cash them?

A. Yes.

Q. How much did he cash them for, do you know?

A. I know I wouldn't have been able to come to Reno without those policies, that's all.

Q. Do you know whether or not any of the money he obtained from the other policies, besides the one you have already mentioned, was used in the operation of the ranch and the up-keep of the ranch? You had some of that money for yourself, you say?

A. Yes, I had some here.

Q. It is alleged in the complaint one policy by the New York Life Insurance Company for \$3,000, that was cashed by Edgar Sadler in 1920, do you know anything about that?

A. Well, we had to use that on the house—1920—the house was burned down in 1922. Well, we used all the money we ever had on the ranch.

Q. What I am trying to find out, just in what particular method or manner any of this insurance money was invested, whether it was invested in the ranch itself or in the cattle?

A. Well, my husband will have to answer that.

(Testimony of Mrs. Ethel Sadler.)

Q. Do you know about a policy issued to your husband by the Kansas City Life Insurance Company for \$1800? A. Yes.

Q. Do you remember anything about when that was cashed?

A. No, that might have gone to help build that house.

Q. Then do you know about a policy in the sum of \$3,000 issued by the New York Life Insurance Company to your husband and cashed in 1933?

A. Yes.

Q. Do you know what was done with that money?

A. Well, I guess I had some of it to go to Reno.

Q. Well, beside some of it that you came to Reno on, do you know what happened to the balance?

A. My husband could answer that, Mr. Cooke, too.

Q. You mean you don't know what was done with it?

A. Well, I know I had some of it.

Mr. Cooke: That's all.

Cross-Examination

By Mr. Thompson:

Q. Mrs. Sadler, you testified about the conversation you overheard at the Diamond Ranch in the year 1938 when Clarence was there with another man deer hunting. A. Yes, sir.

Q. Do you recall what month that was?

A. It was October because the deer season was open. [332]

(Testimony of Mrs. Ethel Sadler.)

Q. You testified regarding purchase of some cattle, 102 cows and 41 calves, you thought it was in 1931?

A. Well, it was right after my mother's death, 1929. I wouldn't swear exactly to the year.

Q. I believe——

A. It might have been 1930. I wouldn't swear exactly to the year.

Q. The bill of sale was July 28, 1930. Would that be right, so far as you remember?

A. I know my mother's money was used there. That must have been. I will see if I can find this. Yes, I got September 20, 1930. I marked in my diary about what we paid for the cows and how much we owed.

Q. How much was the total purchase price of those cattle?

A. I don't have to answer that, do I?

Q. Well, I asked it.

A. Well, I put it: "Paid for cows \$7,232."

Q. Does that include the 102 cows and 41 calves, is that for all of them, or was something else paid for the cows? A. No, the cows and calves.

Q. They were all together for \$7,232?

A. Yes.

Q. Now you testified that some of the cattle were branded with Reinhold Sadler's brand, T E I believe? A. Yes.

Q. And that those were the cattle for which he paid \$1600, he contributed [333] \$1600 of his money? A. Yes.

(Testimony of Mrs. Ethel Sadler.)

Q. Do you know how many head of cattle were allotted to that \$1600 that Reinhold paid?

A. He had to borrow it.

Q. As I recall, you testified that you had about two thousand dollars?

A. I did. I had over two thousand dollars.

Q. That was the money you inherited?

A. Yes, I did.

Q. And Reinhold Sadler put in about \$1600?

A. Yes.

Q. Now Edgar Sadler also put in some money?

A. Yes.

Q. Do you know how much he contributed?

A. I do not.

Q. You don't remember? A. No.

Q. How old is Reinhold Sadler?

A. Thirty-seven—no, he will be 38 years October 27th.

Q. You have another son, Floyd?

A. I have.

Q. How old is he?

A. He is two years and four months younger than Reinhold.

Q. He is about 35? [334]

A. Thirty-six in March.

Q. Is Floyd married also?

A. He is married and has three children. He has a baby at the hospital now.

Q. When was Floyd married?

A. They have been married four years, I guess five years, February 14, 1947.

(Testimony of Mrs. Ethel Sadler.)

Q. And the two boys in your family lived on the Diamond Ranch all the time?

A. Yes; Floyd worked before he came to the ranch.

Q. And when did he work away from the ranch?

A. Well, he is here. I think we had better ask him that question.

Q. Well, do you know?

Mr. Cooke: If you know, answer it.

A. Well, I have to figure it out. I think it would be better for Floyd to answer that question.

Q. Has Reinhold Sadler been on the ranch all the time? A. Yes.

Q. Do you know about how long Floyd worked away from the ranch?

A. It was quite a number of years.

Q. You and your daughter, Violet, lived in Reno, Nevada, for four years? A. We did.

Q. That is while your daughter was going to high school? [335]

A. We went home in the summer.

Q. But during school session you were living in Reno?

A. Yes, went home at Christmas most of the time.

Q. Do you recall that in the late spring, or perhaps in June, of 1930, you visited Clarence and Reba Sadler at Berkeley, California, with Violet?

A. That I visited Clarence in 1930?

Q. Yes. A. With Violet?

Q. Well, I am not positive that Violet was with you, but you were there?

(Testimony of Mrs. Ethel Sadler.)

A. Violet was 16 years old in 1930; Violet is 26 years old now. That would be 16 years ago—she would be 10 years old. In what year did you say it was?

A. In 1930, in the late spring or possibly in June?

A. I did not visit Clarence, no. If that is what you mean—yes, I think I did take Violet after my mother's death and stayed at Virginia's home, my brother John Eccles' wife.

Q. Didn't you visit Clarence Sadler and his wife at that time?

A. Oh, I might have gone over there.

Q. Didn't you have a conversation with them at that time? A. Not that I can remember.

Q. Did you have a discussion at that time with Clarence Sadler regarding the Diamond Valley Ranch, in which Clarence Sadler asked you to get from Edgar Sadler a price at which he would be willing [336] to sell the ranch, so that the mortgage could be paid off and the money divided between the heirs of Reinhold Sadler? A. No.

Q. You didn't have that conversation?

A. No, I don't remember that at all.

Q. I show you Exhibit 41 for identification, Mrs. Sadler, that is in your handwriting, is it not?

A. That's my writing.

Q. Isn't that a letter that you wrote and mailed to Reba Sadler, Clarence Sadler's wife, in July, 1930? A. That is my writing, yes, sir.

(Testimony of Mrs. Ethel Sadler.)

Mr. Thompson: I offer Exhibit 41 for identification in evidence, your Honor.

Mr. Cooke: I note in the Exhibit down at the bottom a portion of it is marked apparently for special attention. That wasn't on the letter at the time?

Mr. Thompson: No, that was put on afterward. The two horizontal lines at the bottom of the first page on the left-hand side are not claimed to have been on the letter at the time.

Mr. Cooke: No objection.

The Court: It will be admitted in evidence as Plaintiff's Exhibit 41.

Mr. Thompson: Exhibit 41 is dated Eureka, Nevada, July 12, 1930: [337]

"Dear Reba. I think I had better write today before we are too busy haying. The men are on the first stack today. I would be quite happy if it was the last instead of the first.

"I was quite fortunate in getting good help in the kitchen this year. A Mr. & Mrs. Laird drove down from Eureka one day and asked if I needed help so I said 'Yes' and they came the next day. She has taught home economics for the past five years in the Eureka High School and received a salary of \$200 per month. It is quite a come down just to receive \$40. They are not employing many married women in the Nevada Schools this year so perhaps that has something to do with her working as she is this

(Testimony of Mrs. Ethel Sadler.)

summer. Anyway she is a real nice companion as well as a helper.

“Edgar said he was willing to sell any time he could receive \$65,000 for the ranch alone. He said the way ranchers are selling at the present time it is worth it.

“I didn’t enjoy my trip through the Feather River Canyon, was real disappointed in the scenery and the heat was so oppressive. Violet and I had to occupy an upper berth as all lower berths were taken. However, that didn’t bother me any—a very congenial crowd were on the train. [338]

“The folks were glad to see me back more so than I was to get back. I surely enjoyed every minute of my visit. One of the teachers that taught here is vacationing in the Hawaiian Islands and one in Europe. Katrina Jacobsen is also in the Islands.

“Mrs. Bailey only got as far as Elko on her way to visit Wallace. She fell going to the bath room and sprained her back and Edna came and took her back to Colstrip. Perhaps it’s better that she didn’t as Mary soon expects to go to Elko for the third addition to the family. Hale is only three in Dec. Mrs. Flynn is still confined to her bed; gets up a few hours a day. She is 78. Viola Mau is in Texas again taking up music. Quit nursing. With love from all to all. Ethel.”

(Testimony of Mrs. Ethel Sadler.)

Q. Mrs. Sadler, how many head of cattle bearing the brand J bar C are on the Diamond Ranch now? A. None that I know of.

Q. How many cattle bearing the two half circle brand are on the Diamond Ranch now?

A. You will have to ask that question of the men.

Q. You don't know?

A. I really don't know. You will have to ask the men.

Q. You haven't been keeping a record of the cattle purchased and sold? [339]

A. Well, I might have, but I wouldn't know right now. I could if I was home.

Mr. Thompson: That's all.

Re-Direct Examination

By Mr. Cooke:

Q. In that letter, Plaintiff's Exhibit 41, that you wrote to Reba Sadler on July 12, 1930, you know what letter I am referring to? A. Yes.

Q. You said there that you enjoyed your visit very much, or words to that effect. Whom did you visit with that you enjoyed?

A. Well, I visited with my sister-in-law, Mrs. Eccles. I might have gone over there to visit.

Q. The visit you are referring to, that wasn't a visit with Clarence Sadler's wife?

A. Oh, no, no.

Q. You testified on cross-examination in regard to your sons Reinhold and Floyd wasn't on the

(Testimony of Mrs. Ethel Sadler.)

ranch on certain occasions. What kind of work did they usually do there, real work or not? I mean, how did they work?

A. Why they would do all the work.

Q. Well, commencing when and quitting when? Put in a full day's work?

A. Well, I should say they did probably more. At the time labor was so scarce they had to put in a long day and did most of the [340] work themselves.

Q. Is that the way they worked from the time they were able to work, old enough to work on the ranch?

A. My poor oldest son started in right away. He just went two years to high school.

Q. That is Reinhold? A. Yes, Reinhold.

Q. And he worked on the ranch from that time on? A. He did.

Q. As you have described. Was that 8-hour shifts, or do you pay any attention to shifts?

A. Oh, we don't have such a thing, I wouldn't say, as an 8-hour shift.

Q. Were they paid wages or in what way did they live before they were married, while they were working on the place? What was the arrangement? Did they get wages from your husband or not?

A. Who was that?

Q. Either one, Reinhold or Floyd?

A. Well, Floyd went to school. When he was attending school in California we paid him wages when he hayed, to help go to school.

(Testimony of Mrs. Ethel Sadler.)

Q. But when he was living on the ranch outside the haying season, would he draw wages like other hired men or not? A. Oh, no.

Q. Did you pay Reinhold any wages at any time, haying or any other time? [341]

A. Oh, I guess he got spending money. He had to have something.

Q. I mean regular wages that you would pay the ordinary hired man? A. Oh, no.

Q. Now you told about the purchase of these Mead cattle and I understand you to say that they were divided equally between Reinhold Sadler and Edgar Sadler, is that right? A. Yes.

Q. You said that Reinhold had to borrow some money? A. Yes.

Q. How about you and your husband?

A. We had to borrow money, too.

Q. Do you remember where you made the borrow? A. Up at Eureka, at the bank.

Q. Do you remember how much you had to borrow? I mean, to buy those cattle?

A. I don't know.

Q. You had approximately \$3500, one half the \$7000 purchase price? A. Yes.

Q. Do you know about how much he had in cash at the time? A. I don't know.

Q. But he did make a borrow? A. Yes.

Q. In order to get that money? A. Yes.

Mr. Cooke: That's all.

Mr. Thompson: That's all. [342]

REINHOLD SADLER

a witness on behalf of the defendant, being first duly sworn, testified as follows:

Direct Examination

By Mr. Cooke:

Q. What is your full name, please?

A. Reinhold Sadler.

Q. You are the son of Edgar Sadler and Ethel Sadler?

A. Yes.

Q. Where do you reside, Mr. Sadler?

A. In Diamond Valley.

Q. How long have you resided there?

A. All my life.

Q. Born there, were you?

A. No, I was born at Ruby Hill. That is close to Eureka.

Q. How old were you when you moved to the ranch, if you know?

A. I wouldn't know.

Q. After you got of school age, I suppose you attended school?

A. Yes, I went two years to high school.

Q. Where?

A. At the ranch. We had high school at the ranch.

Q. And during that time what, if any, work did you perform on the ranch? When you were going to school, did you do any work there?

A. In haying time and did quite a lot of riding when I was in high school.

Q. Ride for cattle? [343]

A. Yes.

(Testimony of Reinhold Sadler.)

Q. And during haying time you worked in the hay field? A. Yes.

Q. Did you get any wages for that or was that part of your ordinary duties as a son?

A. No, I never got any wages.

Q. After you got through with school what did you do, how did you spend your time?

A. I went to work on the ranch, doing regular ranch work.

Q. That would be about what age?

A. Oh, approximately 15, I would say, or 16.

Q. Doing regular ranch work like a hired man at that age? A. Yes.

Q. And you continued that how long, down to the present? A. Until about a week ago.

Mr. Thompson: Pardon?

A. Until the present.

Q. How old are you?

A. I will be 38 the 27th of October, in a few days.

Q. Were you on or about the ranch in 1918?

A. Yes.

Q. Do you remember anything about what took place at that time? A. No, I don't.

Q. Something has been said about your driving a stage. Do you remember about being employed in that way? [344]

A. Yes, I drove the state line for four years.

Q. That stage line was from what place to what place? A. From Eureka to the ranch.

(Testimony of Reinhold Sadler.)

Q. And you got a salary for driving of the stage? A. Yes, I got about \$70 a month.

Q. Who owned the stage line?

A. Well, it was a government mail contract, two days a week.

Q. What did you do with your money, this \$70 a month that you earned?

A. Well, used part of it for the expenses on the stage line, some for my own living.

Q. You weren't paying any of the expenses of the stage line, were you?

A. Well, I had a contract, yes, I had to pay the cost.

Q. You were operating the vehicle?

A. Yes, sir.

Q. And you got \$70 a month for your services and the vehicle that you used? A. Yes.

Q. Do you remember how much you earned or obtained from the entire period of your stage driving experience? A. No, I don't.

Q. Well, you got the \$70 a month, was that the year around? A. Yes.

Q. What other employment, if any, away from the ranch did you [345] engage in?

A. I worked, I fed cows for three winters for another party, along with our own cattle.

Q. Who was that?

A. Their names were Handley Brothers.

Q. You were paid a wage from the Handley people for your services, were you? A. Yes.

(Testimony of Reinhold Sadler.)

Q. That was over what period, how long?

A. Well, that would be '28, '29, and '30.

Q. How much of a wage did you get from the Handley people for your work there?

A. Oh, I believe one winter it was \$50 a month and the next winter it was \$75.

Q. Just in the winter time?

A. Just for a few months while the cattle was there.

Q. What other work, if any, did you do away from the ranch on wages?

A. I believe that is about all, Mr. Cooke.

Q. Ever do any mining? A. No.

Q. In the answer of your father, Edgar Sadler, it is alleged in substance that prior to the year 1930 you acquired and separately owned some 40 or 50 head of cows and calves. What is the fact about that? [346]

A. I got these cows in 1930.

Q. Was that the first cows or cattle you acquired, in 1930?

A. Oh, I had a few head, yes.

Q. How many head do you mean by a few head?

A. Oh, I would say probably 25 or 30.

Q. How did you get those?

A. Well, some were given to me. They were leppy calves.

Q. Just what is that, for the record?

A. That is a calf without its mother, a calf with no mother. I believe John Eccles gave me one calf. Henderson Bros. gave me three.

Q. Some of these 25 or 30 you had acquired prior to 1930, is that right? A. Yes.

(Testimony of Reinhold Sadler.)

Q. Is that all you had down to the time you made a purchase in 1930?

A. Well, there were a few odd calves afterwards and they grew up or increased.

Q. When did you first acquire any calves from these folks prior to 1930?

A. When I was 17 years old was probably the first occasion.

Q. Can you tell us about what year that would be?

Mr. Thompson: 1926.

Q. Is that right, 1926?

A. Yes, approximately about that time. [347]

Q. You first acquired any? A. Yes.

Q. And then you continued getting those calves that you told us about, so that you had about how many in that way in 1930?

A. Oh, I approximately figured around 30 or 35 head, something like that.

Q. Then in 1930 did you acquire any additional cows or calves? A. Yes, I bought 50 head.

Q. From whom did you buy the 50 head?

A. They were bought from Mead.

Q. Is that the same transaction that your mother has testified about? A. Yes.

Q. And what was your brand, or did you have a brand? A. I had a T E brand.

Q. And these 50 head of stock that you got during that time, were they branded after you got them? A. I branded them after I got them.

Q. With the T E brand? A. Yes.

(Testimony of Reinhold Sadler.)

Q. And upon what part of the body was the brand put? A. That is on the left hip.

Q. Did you have that brand registered at any time? A. Yes. [348]

Q. Where?

A. In the agricultural office, State Board Stock, I believe it is called.

Q. What did you do with those cattle that you purchased in connection with this Mead transaction? A. I kept them there on the ranch.

Q. Were they run together with your father's cattle or separately?

A. Yes, they are all run together.

Q. Aside from the brand they were treated just the same as his cattle, is that right? A. Yes.

Q. When did you first learn of the existence of the paper that Clarence claims is a trust agreement, marked Exhibit 8 in this case?

A. In April, after Alfred's death.

Q. That would be 1944? A. Yes.

Q. And at that time in what way did you learn of it?

A. Mr. Kearney informed me there was such a paper.

Q. Wm. M. Kearney, the lawyer?

A. Yes.

Q. When did you first see it or see a copy of it?

A. When you mailed it out to us.

Q. That was after the suit had commenced, this suit, I mean? [349] A. Yes.

(Testimony of Reinhold Sadler.)

Q. Did you hear of such a paper being discussed or mentioned by Clarence Sadler or by your father or by anybody? A. No, I never had.

Q. Prior to that time? A. No.

Q. Now with reference to the period intermediate to the year 1933 and 1937, did you make any investment of your own money, or your wife's money, in the ranch property?

A. Well, my wife taught school there because we weren't getting any money from the ranch. We had to have a little to live on. She built our house.

Q. She, you mean your wife? A. Yes.

Q. And this was all money that she had earned teaching school? A. Yes.

Q. Was that prior or after you married?

A. That was after I married.

Q. She taught after she was married to help out? A. Yes.

Q. Do you know how much money she put in, as you describe it?

A. Well, I would say approximately most all of it.

Q. What is all of it?

A. All of the price of the house.

Q. What did the house cost? [350]

A. Oh, I would say two thousand dollars.

Q. And she put in all, or approximately all, of it? Did you put in any yourself?

A. Well, I didn't have very much coming.

Q. Did anybody else put any money in the house beside your wife? A. No.

(Testimony of Reinhold Sadler.)

Q. Then she put it all in, didn't she?

A. Yes.

Q. And the cost you testified was about two thousand dollars?

A. Yes.

Q. Have you and she resided in that house since?

A. Yes.

Q. That house, as I understand it, is quite close to the house where your father and mother live?

A. Yes.

Q. When did you build that house, you and your wife, when was that done?

A. I believe it was finished in 1937.

Q. In 1938 were you on the ranch on the occasion when your uncle Clarence Sadler drove down?

A. Yes.

Q. And were you living in this house at that time?

A. Yes.

Q. Did you meet Clarence Sadler on that occasion?

A. Oh, yes. [351]

Q. Do you know how long he remained there then?

A. I believe it was a few days.

Q. Do you know who was with him, or any one?

A. Well, there was a man with him. I wouldn't know his name.

Q. You say Clarence was there a few days. What do you mean by a few days?

A. Three, I think.

Q. Were you present at any conversation between him and your father in regard to the ranch?

A. No.

Q. You were living in your own house?

A. Yes.

(Testimony of Reinhold Sadler.)

Q. Do you know anything about your brother Floyd having purchased cattle and put them in with the balance of the stock on this ranch?

A. No, he never purchased any.

The Court: This might be a good time to take our afternoon recess. We will be in recess about 10 or 15 minutes.

(Recess taken at 3:30 p.m.)

3:45 P.M.

REINHOLD SADLER

resumed the witness stand on further direct examination by Mr. Cooke.

Q. I asked you just before the recess if you knew anything about [352] your brother Floyd purchasing any cattle and putting them on the ranch and you said he didn't purchase any. Did he have any cattle?

A. No, he got some from my father for some of the money he sent back. Then I gave him 12 head of mine.

Q. For money he sent back, what do you mean by that?

A. Well, he sent quite a little home when he was working.

Q. Where was he working?

A. For the Geological Survey in Santa Ana.

Q. Do you know about how long he was working?

A. I believe about four years approximately.

(Testimony of Reinhold Sadler.)

Q. During what year was this, about when?

A. From 1930. He came home in 1937.

Q. He got, as you testified, a number of cattle from your father for money he sent home and then you let him have 12 head? A. Yes.

Q. How many head altogether did he have in say 1937?

A. Oh, I would say approximately about 40 head.

Q. And do you know anything about how those cattle were branded that were turned over to him?

A. They were branded with F-3.

Mr. Thompson: The 3 attached on the tail of the F? A. Yes.

Q. And underneath it? A. Yes.

Q. On what part of the critter was that? [353]

A. On the left hip.

Q. Whose brand was that? A. His.

Q. But what brand did those cattle have before they were turned over to him, do you know?

A. Twelve had mine and the others had my father's.

Q. Yours was T E brand? A. Yes.

Q. And your father's was two half circles?

A. Two half circles.

Q. What did Floyd do with these 40 odd head of cattle that he got at that time?

A. He kept them on the ranch there.

Q. He kept them on the ranch, where they ran with all the other cattle, yours and your father's?

A. Yes.

(Testimony of Reinhold Sadler.)

Q. At that time what, if anything, do you know about arrangement or agreement between yourself, your father and Floyd as to having an interest in the business?

A. Well, when he came back there we gave him one-fifth interest.

Q. When he came back that is from this work?

A. Yes.

Q. When he came back did he stay on the ranch then and continue at the ranch?

A. Yes. [354]

Q. And it was agreed between you that he was to have one-fifth interest? A. Yes.

Q. Was that arrangement changed later on?

A. Yes, he is an equal partner.

Q. When was that arrangement made?

A. When he was married.

Q. When was he married?

A. I believe in '41.

Q. And that has continued down to the present time? A. Yes.

Q. So that, according to your testimony, I take it there is an equal partnership between yourself and your father and Floyd? A. Yes.

Q. Covering all of the property pertaining to the ranch, the livestock and equipment, etc.?

A. Yes.

Q. It is alleged in this paragraph, subdivision (f) of the answer, that Floyd Sadler put in about two thousand dollars after 1937, put in about two

(Testimony of Reinhold Sadler.)

thousand dollars to help keep the ranching business going. Do you know anything about that?

A. Yes, I know he sent money home. The exact amount I don't know.

Q. Now from 1937 to 1940, that was during the time that Floyd was working for the Biological Survey? [355]

A. It was before 1937.

Q. What was he doing from 1937 to 1940?

A. He was working on the ranch.

Q. Do you know whether he received any share of the profits or proceeds of the business or his living or the like during that time?

A. Well, he had to have a little to live on.

Q. From 1937 to 1940?

A. There were no profits. All the profits went to the bank.

Q. During the time that you were interested in the ranch and its operation and livestock upon it, etc., do you know anything about the financing, what was required to be done there and how it was done, receiving money from time to time, and so on?

A. Oh, yes, I have signed every mortgage since 1932 on the cattle.

Q. You say every mortgage, about how many mortgages do you mean?

A. The first one was on the cattle when we bought them in 1930.

Q. And how many altogether, we will say, since that time?

A. There was one to the bank, Farmers & Merchants, three, and two of those were to be renewed every year.

(Testimony of Reinhold Sadler.)

Q. Were they renewed? A. Yes.

Q. Why did you give all these mortgages and renew them, etc., why was that necessary?

A. Well, they just loaned money for one year and they have to [356] be renewed to run the ranch.

Q. Did you have any difficulty in making the ranch pay, keep up?

A. Well, I believe it went, the first mortgage was ten thousand dollars, to approximately twenty-six thousand on the ranch.

Q. Well, this ten thousand dollar mortgage that you mention, what time do you refer to that that was on?

A. That was in 1930, I believe.

Q. In 1930 there was a mortgage of approximately ten thousand dollars against the ranch then?

Mr. Thompson: The cattle?

Q. The ranch and the cattle or just the cattle?

A. Just the cattle.

Q. And that was increased from time to time by renewal mortgage and the like until you got up to twenty-six thousand dollars?

A. I think twenty-six thousand was the highest.

Q. What year does that refer to?

A. I imagine that might have been 1937, approximately 1937.

Q. And from 1937 on was that reduced or increased? A. It was reduced.

Q. There is a mortgage on the ranch at the present time, isn't there?

A. Not on the cattle.

Q. I say on the ranch? A. Yes.

(Testimony of Reinhold Sadler.)

Q. Do you know how much that is? [357]

A. Approximately twelve thousand.

Q. And to whom is that?

A. Federal Land Bank.

Q. Is it overdue or not?

A. What do you mean by overdue?

Q. Well, is it matured, payable in total?

A. Oh, no, it was a 30-year mortgage, 35 years, something like that.

Q. So it has quite a long time yet to run?

A. Yes.

Q. From the time that you were able to do a man's work on or about the ranch, what is the fact as to whether you put in your time on the ranch or not? A. Will you repeat that, Mr. Cooke?

Q. When you started in working on the ranch there, doing a man's work, for instance, since that time on you have been on the ranch right along, have you not?

A. Yes, I have been there all the time.

Q. Now how much of your time, the working hours of the day, did you spend working? I want to know something about how you operated and what you did out there.

A. Oh, well, in the summer time, when we were haying, it runs from four until eight at night.

Q. That is during haying. You put in on the field from four until eight? [358]

A. Well, it isn't all in the field; do a little irrigation before breakfast and haying all day, a little more irrigating after supper.

(Testimony of Reinhold Sadler.)

Q. How long a time do you call the haying season, how many weeks or months?

A. Well, ours run from 30 to 45 days now and before it used to run around 70.

Q. Your cattle were out on the range, were they, in the spring, summer and fall? A. Yes.

Q. In the wintertime what did you do with them?

A. We feed the cattle in winter. Those days are not quite so long. You get up at daylight and when you get through feeding, you can go home.

Q. Do you have any riding to do on the ranch?

A. Oh, yes.

Q. Who does that?

A. I do most of the riding.

Q. That covers what period of the year?

A. Oh, there is about, I would say, a month or six weeks, something like that.

Q. In the fall? A. Yes.

Q. When do you do your branding?

A. In the fall. [359]

Q. And during this summer time, after Floyd got back, what did he do on the ranch in the way of work I mean?

A. Well, regular ranch work. He runs the tractor, the plowing and all the dragging, runs the mowing machine and helps feed the stock.

Q. Does he do any riding?

A. Oh, yes, he has ridden times when I couldn't go out, had to help around the ranch. Sometimes he rides with me.

(Testimony of Reinhold Sadler.)

Q. Haying, the same as you?

A. He drives the plow.

Q. Your mother mentioned you had an accident to your eye and collected indemnity, what about that?

A. Yes, I lost the sight of my right eye.

Q. How did that happen?

A. A piece of steel from a crowbar.

Q. That wasn't in mining? A. No.

Q. That is why I asked you that question about mining. And you collected how much from that?

A. I believe about, I am not quite sure, but I believe the first check was \$1444 and I believe it was four or five months that they allowed me \$75.

Q. The aggregate would then be about what?

A. Well, about 17 or 18 hundred dollars.

Q. Is that through the State Industrial Commission? [360] A. Yes.

Q. And with reference to that 16 or 17 or 18 hundred dollars, whatever it was, what did you do with that?

A. I put it in to buy these 50 head of cattle.

Q. That is this Mead transaction you spoke about? A. Yes.

Q. You testified as to the time when Floyd was taken in as a partner on one-fifth interest and then later on full one-third interest. When did you become a partner in the cattle operation?

A. When I bought these cattle.

Q. That was in 1930? A. Yes.

Q. And was that an equal partner or what?

A. Yes, equal.

(Testimony of Reinhold Sadler.)

Q. As far as those cattle were concerned?

A. Yes.

Q. Your father had other cattle beside that, didn't he? A. Yes.

Q. Well, is it true then that when Floyd came in for a one-third interest in the entire ranch and cattle and business that you also had one-third interest? A. Yes.

Q. Does that mean all of the cattle?

A. Well, it is all the profits.

Q. Your father had cattle there before you bought these Mead [361] cattle, didn't he?

A. Yes.

Q. Were those cattle thrown in to the partnership? A. Oh, yes.

Q. And you and Floyd and your father are equal partners in all cattle out there now?

A. No, we are just equal partners in all the profits derived from the cattle.

Q. Then is it true that your father owns his cattle individually, you own your cattle individually with your brand, and Floyd the same?

A. Yes.

Q. You have the individual brand and cattle, but so far as profits are concerned, that is all put in one bag and divided up in thirds?

A. Yes.

Q. Do you know how many cattle are on the ranch at the present time altogether?

A. I believe there are 638.

(Testimony of Reinhold Sadler.)

Q. Belonging to your father, yourself and Floyd in the manner you have already stated?

A. Yes.

Q. And out of those 638 how many head belongs to you?

A. I really couldn't say, Mr. Cooke. I haven't counted them since last winter. I can tell how many were there last winter. [362]

Q. And the same is true in regard to Floyd?

A. Yes, and same would be true of my father.

Mr. Cooke: I think that is all.

Cross-Examination

By Mr. Thompson:

Q. Well, how many were there last winter, Mr. Sadler?

A. I believe 657 head was turned out.

Q. Were those cows or steers?

A. They were mixed.

Q. 657? A. Yes.

Q. That would be along in November and December?

A. That was January count—no, that was the spring count, when they were turned out.

Q. When would that be?

A. That would be April.

Q. How many calves were there in addition to the 657?

A. That is everything. That is when they were turned out and branded.

Q. That includes them all, is that right?

A. Yes.

(Testimony of Reinhold Sadler.)

Q. How many of those 657 head bore your brand, this T E?

A. I believe it is around 225.

Q. That is cows, calves and steers, is that right?

A. Yes. [363]

Q. And how many of the two half circle brand?

A. I would say around 300, more or less.

Q. How many with the F 3 brand?

A. I believe there was around 100.

Q. Now you are about 32 short.

A. Well, I said 300 more or less. I knew how many was branded with F 3.

Q. I see. You had 225 T E, about 100 F 3, and the rest is the half circle?

A. Yes, the rest is half circle.

Q. That would be about 332. How many calves, do you remember, have been born since the cows were turned out in the spring?

A. Oh, probably 150.

Q. Now when you round the cattle up for branding every year there is a calf running with a cow with the T E brand, you brand that calf a T E brand?

A. Yes.

Q. And if there is a calf running with a cow with the half circle brand, you brand that with the two half circles, and the same as to the F 3 brand?

A. Yes.

Q. And that has been the practice continuously since you first got some cattle in 1926 or thereabouts?

A. Yes.

(Testimony of Reinhold Sadler.)

Q. And also it has been the practice since your brother Floyd [364] first got some cattle and started to use his own brand? A. Yes.

Mr. Thompson: That's all.

MR. FLOYD SADLER

a witness on behalf of the defendant, being first duly sworn, testified as follows:

Direct Examination

By Mr. Cooke:

Q. Your name is Floyd Sadler? A. Yes.

Q. You are a brother of Reinhold Sadler, who was just on the stand? A. Yes.

Q. And the son of Edgar and Ethel Sadler?

A. Yes.

Q. Where do you reside at the present time?

A. At the Diamond Valley Ranch.

Q. Sometimes called the Sadler Ranch?

A. Yes.

Q. How long have you resided there?

A. Well, all of my life with the exception of the time I was going to school and working.

Q. Were you born there?

A. I was born, I believe, in Eureka and went back to the ranch right afterwards.

Q. And you spent some time away from the ranch in school? A. Yes. [365]

Q. How much time was that and about when?

A. I went to school for two years in the Oakland

(Testimony of Floyd Sadler.)

high school and then I went for three years to the Oakland College.

Q. That would be five years in all?

A. Yes.

Q. What years?

A. I finished college in 1932 and I went in 1931 and 1930. In 1929 I stayed on the ranch. In 1928 and 1927 I was in high school in Oakland. That is, for the term.

Q. And then after you got through your schooling, what did you do?

A. Well, I came back to the ranch and stayed for a few months.

Q. Then what?

A. And then I went to work for the General Land Office.

Q. In what capacity?

A. Well, I started out as a flagman and I worked as a flagman for approximately a month and a half and I was advanced to a chain man and worked as a chain man for approximately, oh, three and a half months, and then I received a temporary appointment as transit man.

Q. What is the total length of your connection with the Land Office?

A. I believe approximately two years and a half.

Q. After you got done with that job, what did you do?

A. Well, I was an engineer with the Division of Grazing for approximately six months, something like that. [366]

(Testimony of Floyd Sadler.)

Q. Where were you stationed at?

A. DV 20. That was a camp on the ranch at that time.

Q. At the Sadler ranch? A. Yes.

Q. Where did you live?

A. I lived at the camp.

Q. What I am trying to get, without going into too much detail, Mr. Sadler, about how much time did you spend away on your several jobs?

A. About 4½ or 5 years.

Q. And during that time you earned a reasonable salary, I assume? A. I did.

Q. How much?

A. Well, it varied. Well, I could name them all, but I was getting most of the time \$1800 plus, two thousand dollars a year, plus living expenses.

Q. You were not married at that time?

A. No.

Q. What did you do with your money, what you didn't have to spend for yourself?

A. I sent most of it home.

Q. For what purpose?

A. Well, they were having quite a little trouble getting the ranch going and I would send this money home and they would use it for various purposes around the ranch. [367]

Q. You say "they," who?

A. My father and mother.

Q. Have you any idea the amount that you sent home that way?

A. Well, I have a rough estimate. Around two thousand dollars, 1800 or two thousand dollars.

(Testimony of Floyd Sadler.)

Q. You sent back at various times during this 4½ or 5 year period? A. Yes.

Q. And that would be the years——

A. 1932 to 1937.

Q. Then after you got done with your job with the government, you returned home to the ranch?

A. Yes.

Q. What do you do there?

A. Well, my brother especially wanted me to stay on the ranch and help him out, so I returned to the ranch and worked on the ranch.

Q. What kind of work?

A. General ranch work, everything that had to be done.

Q. Was your time fully occupied or only partially occupied? A. It was fully occupied.

Q. With respect to the hours per day, what was it?

A. Well, it depends. In the wintertime I don't believe we work over possibly eight hours, but in the spring and summer and fall [368] we put in a full day's work, 10 hours.

Q. In the wintertime just what work is there on the ranch to do?

A. Well, it is feeding cattle and then there is riding in the winter too, taking care of the calves.

Q. And is that the way you occupied your time from the time you got back in 1937, is that right?

A. Yes.

(Testimony of Floyd Sadler.)

Q. From that time on that is the way you occupied your time?

A. Yes. There would be a few days, you know—I am a licensed surveyor and some of the near ranches around there wanted me to go out and do a little surveying for them and I would do it, but the greater portion of that time was on the ranch.

Q. Did you acquire any cattle during that time, did you get any cattle from anybody?

A. Well, in 1937 when I came back on the ranch, my father said he would, for this two thousand dollars that I had sent in at various times, he would give me 30 head of heifers and my brother said he would give me 12 head of cows that he had. They were old cows.

Q. That made about 42 head that you had in 1937? A. Yes.

Q. And was there any change made in the branding of those cattle at that time?

A. Yes, I branded them all with an F hanging 3.

Q. And that is your brand? [369]

Q. You have it registered? A. Yes.

Q. And what did you do with the cattle with this F hanging 3 brand?

A. I ran them in conjunction with my father. From 1937 until 1940 I didn't take any profits from these cattle. I put it back into the ranch. I had enough money saved up for my living expenses during that time so I let all the profits of the cattle go back into the ranch.

Q. Why was that?

A. Well, they gave me the one-fifth interest in

(Testimony of Floyd Sadler.)

the profits and I thought I would make a little contribution.

Q. To equalize things?

A. Yes, equalize things up.

Q. Did you know then, or do you know now, whether there were any profits during that period?

A. There were profits. All the profits, outside of living expenses and ranch up-keep, was applied on these various cattle mortgages.

Q. In the answer of your father, Paragraph F, page 8, the profits or proceeds that you should have received, if you wanted to take them, is alleged to amount to about \$1500 a year, is that right or not?

A. That would be about approximately right.

Q. But you didn't get them? [370]

A. No, I never took any profits.

Q. That is for that period. Then you started out with a partnership, you took one-fifth interest, is that right? A. Yes.

A. Later on that was increased? A. Yes.

Q. When was that increased?

A. When I was married.

Q. Well, what year?

A. That was February 12, 1942.

Q. That was increased to what?

A. That was increased to one-third interest, equal.

Q. Equal one-third interest in what?

A. In the profits of the business.

Q. But the cattle, with their respective brands, were kept separate, so far as the brand was concerned? A. Yes.

(Testimony of Floyd Sadler.)

Q. They were not thrown into this pot that was divided up equally? A. No.

Q. And you have at the present time about how many, do you know?

A. Right at the present time I wouldn't know exactly. I could tell you I had 96 head in January count last year, that was at the beginning of the year, and I believe there were possibly 12 calves that I branded in the spring. I wouldn't be sure of the [371] number of calves I branded last spring.

Q. It was in January that you had this 96 count?

A. Yes, and then there would be calves during the summer.

Q. That count in January, what does that include, cows and calves?

A. Whatever there was branded. We count up there all the cattle that are branded.

Q. How old does a calf have to be before you brand it?

A. It all depends on when we get around to branding it, but the oldest a calf is is from June to October.

Q. Now the figures you have given of the 96 in January and then you branded another 12 head of calves during the spring? A. Yes.

Q. And there would be some more since that time?

A. Oh yes, there would be more during the summer, but I haven't any idea how many there would be.

(Testimony of Floyd Sadler.)

Q. Well, basing your answer upon your experience with the cattle, couldn't you give us an estimate what there would be?

A. Well, there ought to be approximately 20 to 25 calves.

Q. Would that include the 12 you already told us about?

A. No, that would be unbranded calves.

Q. So your total now estimated as you have would amount to the 96 head plus the 12 calves that were branded last spring and plus about 25 head additional?

A. Yes, 25 head. [372]

Q. Do you know how many cattle your brother has?

A. Approximately, yes.

Q. Tell us about it.

A. Well, he has something over—about 225 head, I would say, and the increase.

Q. On somewhat the same basis as you gave?

A. Yes.

Q. And all the rest of the cattle out there belong to your father, is that right?

A. Yes.

Q. Are anybody else's cattle mixed up with these Sadler bunch?

A. Well, there are always a few strays that we hold in the field for our neighbors. No, I wouldn't say that there is.

Q. That is your range there, is it?

A. It is our range, but there are also other ranches that run cattle on the same range. They run in common and our cattle stray over to their ranch and they hold for us and vice versa.

(Testimony of Floyd Sadler.)

Q. Where do you live, what house building at the ranch do you live in?

A. Well, I live in the main ranch house, you might say. That is the house, the old bunk house that was converted into a ranch house.

Q. Do you know anything about the proceeding of converting that into a residence?

A. Well, I was there at the time it was built, yes. [373]

Q. Do you know who built it?

A. Well, my father built it, had a carpenter.

Q. Do you know where he got the money to build it? A. Well, I heard——

Q. That is just hearsay to you?

A. Well, I heard my father say it was lucky he got an insurance policy then or they couldn't have built the house.

Q. That is all you know about the money?

A. That is all I know about it.

Q. What was the probable cost, if you know, of building that house?

A. I would estimate around \$3500. That would be just an estimate on my part.

Q. Have you had any occasion to do any figuring on it, to familiarize yourself with the matter of the expense?

A. No, that would be just an estimate on my part. I did a little estimating for the Biological Survey on the value of houses and property that they were acquiring for duck refuges and that would be the only way I base my estimate.

(Testimony of Floyd Sadler.)

Q. You have had some experience?

A. Yes.

Q. Did you do any work on this yourself?

A. Not on the house. I repaired it afterwards, but I was too young to do very much carpentering.

Q. That was in 1922? [374] A. Yes.

Q. Then when you were married, you and your wife took up your residence in that same house?

A. Yes.

Q. Were you living in that house in 1938?

A. Yes.

Q. Going back for a moment when you acquired the interest in these cattle, as you have described, did you know anything about your Uncle Clarence Sadler making any claim to the ranch or any part of it or the cattle or any part of it?

A. I did not.

Q. When did you first learn that he was making a claim?

A. Well, the first time I knew that he was making a claim I believe was in 1938.

Q. And under what circumstances did that occur?

A. That was when he was out there on this hunting trip.

Q. Go on and tell us what you know about it and what took place.

A. Well, as I recall the instance, Clarence and this person—I heard previous testimony his name was Casto, I didn't remember the name, but his name was Casto—came over from Plummer's. I

(Testimony of Floyd Sadler.)

believe it was right after dinner, and they came to the ranch and that night, that same night that they came, I believe we did go out in the fields for a while and when we came back in Clarence went in the house and I stayed outside talking to this other man, Castro, and in a few minutes he went over to my brother's house. [375] He was sleeping at my brother's house and Clarence was sleeping at our house, so he went over to the other house and I went into the dining room or living room of our house and my father and Clarence were in this room engaged in a conversation. Clarence was doing most of the talking. It had something to do about selling the ranch, and I believe he was saying that he just came back from Los Angeles——

Q. Who do you mean?

A. Clarence just came back from Los Angeles, talking about millionaires down there and it might be a good time to sell the ranch and my father was rather excited and he was standing up in the center of the floor, walking back and forth, and there were two couches in the room and Clarence was sitting on one couch and I went over and sat down on the other couch and my mother was coming in there during the time. She was preparing supper, in the late afternoon, and well, my father was kind of excited and he kind of waited for Clarence to break his conversation, then he said that Clarence didn't have a God damn thing to do with the ranch and walked out of the room and my mother also walked out and Clarence and I sat there and began

(Testimony of Floyd Sadler.)

talking of other matters. That is all I remember of this conversation.

Q. Well, do you remember a little more particularly than you have already stated what Clarence said immediately preceding your father's statement to him that you just stated, that he didn't have any interest in it? [376]

A. Well, he said we should sell the ranch at that time.

Q. That is your Uncle Clarence said that?

A. My Uncle Clarence said that. While I was in there I don't believe my father made any other statement.

Q. They had been talking, I take it, before you came in?

A. Yes, I interrupted the conversation.

Q. And after your father made that statement that you have just testified about he left the room?

A. Yes, he walked out in the kitchen.

Q. But you and your uncle remained in there?

A. Yes, we were in there.

Q. How long did your Uncle Clarence remain at the ranch after this incident?

A. I believe three days.

Q. What was he doing during those three days?

A. Well, we were hunting deer and we went down to the fields. We went down to a place we call it John's field, and tried to get a few ducks.

Q. What I am trying to find out, how did he occupy his time during these three days?

A. Mostly hunting.

(Testimony of Floyd Sadler.)

Q. Hunting ducks, geese, or deer?

A. Deer. He didn't do very much hunting deer, but I think we went out a couple of times.

Q. Did you go out with him? [377]

A. Yes, I went out a couple of times.

Q. The matter of the ranch or the sale or disposition or ownership, did that come up at all between you and your uncle?

A. It didn't, no.

Q. And after those three days and his visit was over there, he and this Castro left?

A. Yes, they left.

Q. Which way were they going, so far as you know?

A. They were going toward Eureka. They were going to California, San Francisco.

Q. Where did they come from, do you know?

A. They came from California.

Q. They came out there for what purpose?

A. So far as I know hunting deer. They had already been at the Plummer ranch and came from the Plummer ranch to our place.

Q. How far is the Plummer ranch from the place where you live? A. Twenty-two miles.

Q. Is that ranch occupied by Edgar Lane Plummer? A. Yes.

Q. He is a cousin of yours? A. Yes.

Q. And son of——

A. Son of Wilhelmenia.

Q. You have heard, during the course of this trial, about the circumstances of the so-called trust agreement? [378] A. Yes.

(Testimony of Floyd Sadler.)

Q. Also referred to as Exhibit 8? A. Yes.

Q. Have you seen it since the case come up?

A. I have seen a photostatic copy of the exhibit.

Q. When did you first see that?

A. When you mailed it to us at the ranch.

Q. That was after the suit was commenced, shortly after the suit was commenced?

A. Yes, shortly after.

Q. You mean that is the first time you ever saw the document? A. Yes.

Q. Is that the first time you ever heard in any way whatsoever that such a document existed?

A. Well, when my brother came back from Reno, shortly prior to that, or shortly after Alfred's death, he said something about a trust document that Mr. Kearney mentioned to him. I didn't know what the document would be or anything like that.

Q. That was shortly after your Uncle Alfred's death? A. Yes.

Q. In 1944? A. Yes.

Q. Prior to that and particularly at the time you were putting your money into the cattle out there, did you know anything about any trust or any agreement or anything of this sort at all? [379]

A. No; no, I didn't.

Q. The communications your brother made about the talk that he had with Mr. Kearney, that was the very first information you had of the existence of anything of that sort, is that right?

A. Yes.

Q. And later on you got this photostat copy of it? A. Yes.

(Testimony of Floyd Sadler.)

Q. Do you know anything about the so-called Eccles ranch? A. Yes.

Q. What do you know about it?

A. Well, I know it is the ranch that we have leased that is right by our ranch.

Q. When did you lease it? When did you acquire the lease? A. In 1928, I believe.

Q. Have you continued to hold it under lease ever since?

A. Yes, all the time I have been there since 1928 we have.

Q. That was owned by your uncle, Mr. Eccles, is that right? A. Yes.

Q. And he operated the ranch until 1928 and then moved to the Coast? A. Yes.

Q. And it is then that you got this lease, that is you and your father and brother?

A. No, I wasn't interested in the ranch at that time. However, I read the lease. [380]

Q. You knew there was a lease? A. Yes.

Q. But since you have become interested in it, that lease has continued on? A. Yes.

Q. Speaking from memory, can you tell us whether it is a term lease or yearly lease?

A. It is a yearly lease.

Q. Simply renewed from year to year?

A. Yes.

Q. Have you any idea of the value of that ranch?

Mr. Thompson: Objected to as immaterial.

The Court: Of this leased ranch?

Mr. Cooke: Yes.

(Testimony of Floyd Sadler.)

The Court: I can't see where that is material.

Mr. Cooke: The purpose of it is, it is a little bit indirect, maybe, the idea being to show in connection with our defense of laches that this lease had been acquired by Mr. Sadler and his sons and it has a certain value in connection with their ranch operations and that disassociated from the Sadler ranch or the Sadler ranch disassociated from this ranch, would go to the value. In other words, the value of the ranches includes the value of this lease and includes, of course, the value of the ranch land and profit. We think the ranch itself has a very substantial value in excess of the \$400 a year they pay and that it [381] would have some bearing upon the question of the property here and the manner in which these people had gone ahead and incurred obligations. For instance, in this property here they have become obligated to reconstruct buildings and return certain buildings that have been taken off of the property, I think. There are some obligations in connection with the property and it seems to us that it would complete the picture and complete the question of their operations out there to have it in. I wasn't quite correct. The allegation is, and I expect that would be the testimony if we are allowed to proceed, that the buildings have been torn down and under the terms of the lease must be replaced at the end of the lease, and that is an obligation these people have in it and it all enters into the cost of the operations and obligations and responsibilities they have incurred

(Testimony of Floyd Sadler.)

and when we consider that it was done without any notice on the part, at least of young Floyd and Reinhold Sadler, it seems to me it has a bearing.

Mr. Thompson: Do you have the lease, Mr. Cooke?

Mr. Cooke: No, I haven't. I never saw it, Mr. Thompson.

Q. Do you have the lease?

A. We haven't it here in Reno. It is out at the ranch.

Q. You could send out and get it, I suppose, if we have time?

A. I don't know if they could find it or not.

Q. No body out there except——

A. My brother's wife. [382]

Q. It is not recorded?

A. No, it is not recorded.

The Court: Well, I will permit the question.

Mr. Thompson: The question he asked, your Honor, was the value of the Eccles ranch. I do not see where that pertains to Mr. Cooke's offer. The value of the ranch does not have anything to do with the value of the lease. A lease that is to be renewed every year has a very uncertain value, does not have any direct relation to the value of the ranch.

Mr. Cooke: I will ask him what the value of the lease is.

The Court: Confine it to the value of the lease.

Q. I think we have heard testimony from your uncle that the rental payment was \$400 a year and

(Testimony of Floyd Sadler.)

then it was down to \$300 a year and you and your father and your brother pay the taxes?

A. Yes.

Q. Do you know anything about whether that is correct or not, so far as the rental?

A. The rental, since I have been back on the ranch, has been \$300 a year and we pay all the taxes.

Q. Do you know what the taxes amount to?

A. I couldn't give it to you offhand.

Edgar Sadler: \$100.

Q. Now in regard to the buildings on the land being torn down on this leased Eccles land, do you know anything about that? [383]

A. We moved the Eccles house. I say "we," I wasn't there at the time, but it was moved down to right near our ranch house and served as a bunk house, and part of the chicken houses and stable and everything like that has been torn down.

Q. And what about your having to replace those buildings if the lease is terminated?

A. I believe it says in the lease that all machinery and buildings will be returned in approximately the same shape as they were at the time of the lease.

Q. Coming down to the question of machinery and equipment, do you know what machinery you have at the ranch? A. Yes.

Q. What does it consist of, briefly?

A. Well, a truck and a tractor. These are comparatively new machines, 1940 truck and 1939 trac-

(Testimony of Floyd Sadler.)

tor; 1942 combine, and we have a drill, 8-ft. drill, I think we got in 1944 or 1945.

Q. Do you know anything about what they cost or what their value is?

A. Yes, I could give you the approximate cost on all of them.

Q. Give it to us.

A. Well, the truck, 1940, cost \$1100 approximately and the tractor and mowing machine together cost us—well, the mowing machine cost \$225 and the tractor cost \$927.

Q. Any other machinery there?

A. The combine new cost us \$450. [384]

Q. Just what do you mean by combine?

A. That is a machine to bind your grain and seed; bind grain principally on the ranch but you can bind alfalfa seed or any grass seed with it.

Q. What other item of machinery have you?

A. We have a drill. I think that cost about \$352. We have a disc that cost, oh, \$240 and some dollars, I think.

Q. Hay rakes, anything like that sort of thing?

A. Yes, we have two hay rakes, I believe cost \$96 a piece.

Q. How about plows and harrows and anything like that?

A. Well, we have plows and harrows and drags and oh, potato cultivators and garden tools.

Q. What kind of plows, so far as walking plows or horse plows?

A. We have a two-way horse plow and then we have walking plows and one sulky plow.

(Testimony of Floyd Sadler.)

Q. Do you have any horses on the ranch?

A. Yes.

Q. Do you use horses there?

A. We use horses in haying time and to feed cattle with, some of the spring work.

Q. You have now mentioned the principal items of farm equipment, machinery, etc.?

A. Yes, I believe I have—wagons—well, everything that is on a ranch. I did not give the wagons. They cost \$150 in 1945 or 1944. [385]

Q. That would be a total of somewhere around three and four thousand dollars?

A. I believe, yes, that would be a fair value on the equipment.

Q. Where did the money come from to pay for these things?

A. Well, it came out of what we call the ranch expenses.

Q. Well, I am talking about profits or proceeds or money used to pay for it?

A. Well, principally proceeds of cattle.

Q. What cattle?

A. My brother's and my father's and myself.

Q. Now with regard to that machinery, do you mean that you have one-third interest in that and your brother one-third interest and your father one-third?

A. Yes, all of it.

Q. And about when was that machinery acquired, this equipment?

A. Well, all this new equipment I gave the prices on was acquired since I came there in 1938.

(Testimony of Floyd Sadler.)

Q. And prior to that time, I suppose the equipment was purchased from time to time?

A. Oh yes.

Q. What I mean, in five or ten years prior to that?

A. Oh yes.

Q. That sort of equipment wears out about how often?

A. Well, of course, sometimes you have trouble with mowing machines, but in general I would say a horse mowing machine would [386] last eight or nine years, given reasonable care.

Q. A horse-drawn mowing machine?

A. Yes.

Q. These other pieces of machinery you have mentioned, can you give us any information at all as to the length of time they last with ordinary usage, such as they get out there?

A. Well, I would say a tractor should be servicable for about ten years. Of course, it would have to have a lot of repairs on it, new tires, but it would be still usable.

Q. What is your experience in regard to other improvements, in regard to fences?

A. Well, we have repaired a lot of fences and built quite a lot of new fence.

Q. Since 1930, we will say, or since you knew the place, do you know whether any new land was brought under cultivation?

A. Yes.

Q. How much?

A. Well, I would say around 40 acres.

(Testimony of Floyd Sadler.)

Q. What was the land before, just raw sagebrush land?

A. Yes, about half of it was raw sagebrush land and the other didn't have any sagebrush on it but it was so rough that nothing could be done with it.

Q. Did you reclaim that, plow it?

A. No, we never plowed the niggerhead land. We disced, harrowed it. [387]

Q. And seeded it? A. Seeded it.

Q. Into what?

A. Well, wild hay. What I mean by wild hay is grass hay, and strawberry clover.

Q. Put water on it?

A. Yes, irrigated.

Q. Did you have to fence it ?

A. No, we never fenced it.

Q. Was that open?

A. No, it is in one of the meadows.

Q. Already fenced?

A. Yes, already fenced.

Q. You just reclaimed it to use. About what year was that?

A. In 1939 or 1940, I couldn't say exactly.

Q. Did you do any work in connection with that? A. Yes.

Q. What did you do?

A. I disced it and harrowed it and levelled it off and my brother did the actual planting.

Q. Was levelling a hard job or not?

A. It was quite a little work.

(Testimony of Floyd Sadler.)

Q. What did you use, a bulldozer?

A. Well, used drags and harrows and discs to level it off so we could get on it. [388]

Q. You have it now in wild grass seed?

A. Yes.

Q. Anything else?

A. Wild grass, strawberry clover. That strawberry clover is clover that heads like a strawberry and it is very good pasture.

Q. Did you participate in the borrowing of money on any occasion on the cattle and on the ranch?

A. No, I have not borrowed any money. I was there and took part in the figuring, etc., that preceded the transfer of the mortgage from the RAC Corporation to the Bank of Eureka on the cattle.

Q. You mean there was no occasion when you participated in any borrowing?

A. No, I never signed my name to any of the paper.

Mr. Cooke: That is all, your Honor.

Cross-Examination

By Mr. Thompson:

Q. Mr. Sadler, you were going to school in Oakland, California, you say in 1927 and 1928?

A. I believe those were the years, yes. It covered the school term, I would say '26 and '27, covered one school term. 1927 and 1928 covered another school term. I believe they were the years.

Q. And also you went to college there?

A. I went to the Polytechnic College.

Q. That was in 1930, 1931 and 1932?

(Testimony of Floyd Sadler.)

A. Yes, I believe—well, it would cover a school year too. I [389] usually went in September and came back in June.

Q. During the time you were down there didn't you visit Clarence Sadler and his wife?

A. Yes, on a few occasions, I have.

Q. A few occasions each year while you were there? A. Yes.

Q. And don't you recall that on some of those occasions Clarence Sadler would ask you about the ranch and whether your father was going to sell it?

Mr. Cooke: I don't think this is cross-examination.

The Court: You may answer the question. Objection will be overruled.

A. Well, I can't remember. He would always ask me how my father and mother was and how were things on the ranch, but as far as selling the ranch, he never said a word, never did say anything to me about selling. I can't recall anything like that. It was more or less, well, just like I would come up to you and say, "How's business these days," or something; he would inquire about how things were on the ranch.

Q. You don't recall Clarence Sadler saying anything on those occasions to the effect that he would like to have your father sell the ranch so he could get his money out?

A. I do not. I was just going to school at that time. I don't think there would be any occasion for it.

(Testimony of Floyd Sadler.)

Q. Could your parents support you while you were going to school [390] down there?

A. Partially, yes. I also worked whenever I could get a job.

Mr. Thompson: That's all.

Mr. Cooke: That's all.

(Recess taken at 5:00 o'clock until Friday, October 18th.) [391]

Friday—October 18, 1946, 10:45 A.M.

Appearances same as at previous sessions.

The Court: Are you ready to proceed now?

Mr. Thompson: Plaintiff is ready, your Honor.

The Court: Have you any further cross-examination, Mr. Thompson?

Mr. Thompson: No, your Honor.

The Court: Have you any further examination of this witness, Mr. Cooke?

Mr. Cooke: We offer in evidence the original of the mortgage dated March 2, 1918, by Edgar Sadler and Alfred Sadler, to the Washoe County Bank to secure a note in the sum of \$16,500, together with the endorsement of the co-signers.

Mr. Thompson: No objection, your Honor.

The Court: It will be admitted in evidence as Defendant's Exhibit "C."

DEFENDANT'S EXHIBIT "C"

Real Mortgage, Edgar Sadler, and Alfred Sadler, to
Washoe County Bank, March, 1918. File 12179

This Mortgage, made this 2nd day of March, 1918, by and between Edgar Sadler, of the County of Eureka, State of Nevada, and Alfred Sadler, of the County of Washoe, State of Nevada, mortgagors, to Washoe County Bank, a corporation organized and existing under and by virtue of the laws of the State of Nevada, mortgagee,

Witnesseth:

That the mortgagors mortgage to the mortgagee all those certain pieces and parcels of land situate in the County of Eureka, State of Nevada, and particularly described as follows: to-wit:

The East half of the northeast quarter ($E\frac{1}{2}$ of $NE\frac{1}{4}$) of Section Twelve (12); the northeast quarter ($NE\frac{1}{4}$); the south half ($S\frac{1}{2}$); and the southwest quarter of the northwest quarter ($SW\frac{1}{4}$ of $NW\frac{1}{4}$) of Section Thirteen (13); the east half of the east half ($E\frac{1}{2}$ of $E\frac{1}{2}$) of Section Twenty-three (23); all of Section Twenty-four (24); the north half ($N\frac{1}{2}$); and the north half of the south half ($N\frac{1}{2}$ of $S\frac{1}{2}$) of Section Twenty-five (25); and the east half of the Northeast quarter ($E\frac{1}{2}$ of $NE\frac{1}{4}$) of Section Twenty-six (26), all in Township Twenty-four (24) North, Range Fifty-two (52) East, Mount Diablo Base and Meridian.

Also, the southwest quarter of the southwest

quarter ($SW\frac{1}{4}$ of $SW\frac{1}{4}$) of Section Seventeen (17); the southwest quarter ($SW\frac{1}{4}$); the west half of the southeast quarter ($W\frac{1}{2}$ of $SE\frac{1}{4}$); and the southeast quarter of the southeast quarter ($SE\frac{1}{4}$ of $SE\frac{1}{4}$) of Section Eighteen (18); the west half ($W\frac{1}{2}$); and the west half of the east half ($W\frac{1}{2}$ of $E\frac{1}{2}$) of Section Nineteen (19); the southwest quarter of the northwest quarter ($SW\frac{1}{4}$ of $NW\frac{1}{4}$) of Section Twenty-nine (29); and the north half ($N\frac{1}{2}$) of Section Thirty (30); all in Township Twenty-four (24), Range Fifty-three (53) East, Mount Diablo Base and Meridian;

Containing approximately Three Thousand One Hundred Twenty (3120) acres, and constituting what is commonly known as the Diamond Valley Ranch;

Together with all the waters of Big Shipley Springs Flowing or to flow to, over or through said lands hereinbefore described; together with all water, water rights, dams, ditches, flumes, water-ways and privileges used for the irrigation of said lands from said springs, and also with all of the water of those certain springs situate in the northeast quarter ($NE\frac{1}{4}$) of Section Twenty-six (26), Township Twenty-four (24) North, Range Fifty-two (52) East, Mount Diablo Base and Meridian, flowing or to flow to, over or through said lands hereinbefore described, together with all the water, water rights, dams, ditches, flumes, water-ways and privileges used for the irrigation of said lands from said springs; As security for the payment to the

mortgagee of the sum of \$16,500, and interest, according to the terms of a certain promissory note of the same date herewith, in words and figures following:

\$16,500.00

Reno, Nevada, March 2, 1918.

Two years after date, without grace, for value received, we jointly and severally promise to pay to the order of Washoe County Bank, Reno, Nevada, at its Banking Office in Reno, Nevada, or wherever payment shall be demanded in the State of Nevada, California, or elsewhere, at the option of the holder hereof, Sixteen thousand five hundred Dollars in United States Gold coin, with interest in like coin, payable semi-annually, at the rate of eight per cent per annum from date hereof until paid. The makers and indorsers hereof waive demand, protest, notice and diligence. We further promise that if this note is not fully paid at maturity we will pay costs and expenses, including a reasonable Attorney's fee, that may be incurred in collecting this note or any part thereof.

(\$3.30 Rev. Stamps attached to original note and cancelled.)

EDGAR SADLER,
ALFRED SADLER,

This mortgage is also given to secure any future advances which the mortgagee may make to the mortgagors, or either of them, and any other indebtedness payable or which may hereafter become payable from the mortgagors or either of them, to the mortgagee, including the payment of interest

thereon, and the expenses and attorneys' fees hereinafter mentioned.

The mortgagors agree to pay and discharge, when the same shall become due and payable, all taxes, liens, assessments and other charges which are now or which may hereafter become a lien upon said premises, or any part thereof, and which may in effect be a prior charge thereon, during the continuance of this mortgage; and in default thereof, the mortgagee may pay and discharge such taxes, liens, assessments and other charges, and the sums so paid shall be deemed immediately repayable to the mortgagee, and shall bear interest at the rate of eight per cent per annum until paid.

This mortgage shall be void if the payments hereby secured be made when the same shall become due and payable, but in case of default in the payment of said principal sum or any other sum hereby secured, when the same shall become due and payable, the mortgagee, its successors or assigns, may sell said premises with the appurtenance, in the manner prescribed by law, and out of the proceeds arising from such sale, may retain the principal and interest of said promissory note, together with all costs and charges of such sale, including a reasonable attorney's fee to be allowed by the Court, and all other sums now owing or which may hereafter become owing from the mortgagors or either of them to the mortgagee, and all sums which the mortgagee may have expended for the protection of the title of said premises, and for the protection

of said security, including taxes, assessments, liens and other charges, and the over-plus, if any, shall be paid by the party making such sale, on demand, to the mortgagors, their executors, administrators or assigns.

In Witness Whereof, the mortgagors have hereunto subscribed their names, the day and year first above written.

/s/ EDGAR SADLER,

/s/ ALFRED R. SADLER.

State of Nevada,
County of Washoe—ss.

On this 2nd day of March, 1918, before me, the undersigned, a Notary Public in and for said Washoe County, personally appeared Edgar Sadler and Alfred Sadler, known to me to be the persons described in and who executed the foregoing instrument, who acknowledged to me that they executed the same freely and voluntarily, and for the uses and purposes therein mentioned.

Witness my hand and Notarial Seal, the day and year in this certificate first above written.

[Seal] /s/ ROBERT M. PRICE,
Notary Public.

Recorded at the request of F. Stadtmuller. March 9, A. D. 1918, at 56 minutes past 4 p.m., in Libre F,

of Mortgages, page 46, Records of Eureka County, Nevada.

EDGAR EATHER,
Recorder.

By.....
Deputy.

CHENEY , DOWNES, PRICE
& HAWKINS,
Attorneys at Law,
Reno, Nevada.

[Endorsed]: Filed October 18, 1946.

Mr. Cooke: We offer in evidence copy of document, being counterclaim of Louisa Sadler in case No. 2380 in the Fourth Judicial District Court of the State of Nevada in and for Elko County, the case being entitled Diamond Valley Land & Stock Company against Huntington Valley Land & Stock Company, Louisa Sadler, Clarence Sadler, and a number of other defendants.

Mr. Thompson: Do you know who prepared this copy, Mr. Cooke? [392]

Mr. Cooke: Yes, the clerk of the court at Elko.

Mr. Thompson: No objection, your Honor.

The Court: Exhibit may be admitted as Defendant's Exhibit "D."

DEFENDANT'S EXHIBIT "D"

In the Fourth Judicial District Court of the
State of Nevada, in and for the County of
Elko

No. 2380

HUNTINGTON AND DIAMOND VALLEY
STOCK AND LAND COMPANY, a corpora-
tion,

Plaintiff,

vs.

THE HUNTINGTON VALLEY STOCK AND
LAND COMPANY, a corporation, THE DIA-
MOND VALLEY LIVE STOCK AND LAND
COMPANY, a corporation, EASTERN NE-
VADA INVESTMENT COMPANY, a cor-
poration, LOUISA SADLER, administratrix
of the estate of Reinhold Sadler, deceased,
LOUISA SADLER, EDGAR SADLER,
BERTHA SADLER, ALFRED SADLER,
CLARENCE SADLER, ELDRED G. WIN-
NIE, HARVEY CARPENTER, W. G.
TOWNSEND, JOHN DOE, RICHARD ROE,
JOHN DOE COMPANY, a corporation, and
JOHN DOE COMPANY,

Defendants.

COUNTERCLAIM OF LOUISA SADLER

Now Comes Louisa Sadler, one of the defendant
above named, and for counterclaim against the said
plaintiff avers——

1. That she is the widow of Reinhold Sadler, who died on January 29, 1906; that said Reinhold Sadler from the time of the organization of the plaintiff corporation to the time of his death was the President and Manager of said plaintiff and a large stockholder therein; that title to most of the lands described in plaintiff's amended complaint is derived from the State of Nevada, upon applications and contracts therefor with the State of Nevada and patents issued by the State of Nevada.

2. That the said Reinhold Sadler at the time of his death was, and this defendant ever since has been, a resident of Carson City, Ormsby County, Nevada, at which place the Land Office of said State of Nevada is situate.

3. That in order to protect the rights of the applicants to purchase the lands described in plaintiff's amended complaint under said applications and contracts, and to acquire patent therefor, it was necessary that annual payments of interest be made upon said contracts and that the principal thereof should finally be paid, and that unless the same were made promptly the rights of the parties in whose name or for whose benefit said contracts were made would become forfeited and lost, and prompt and regular payments of the same was necessary in order to protect their rights therein and thereunder.

4. That since the death of said Reinhold Sadler, this defendant has from time to time paid, laid out and expended at the request and with the knowledge and for the use and benefit of said plaintiff many and various sums of money in payment of the principal and interest due upon the contracts with the State of Nevada for the lands described in plaintiff's amended complaint, said payments amounting to the sum of \$2804.70, no part of which has been paid, although demand therefor has been made, and that said sum is now due, owing and unpaid from said plaintiff to this defendant.

Wherefore this defendant, Louisa Sadler, prays judgment against the said plaintiff for the sum of \$2804.70 with interest thereon at the legal rate, and for costs of suit.

CURLER & CASTLE,

CHENEY, DOWNER, PRICE
& HAWKINS,

Attorneys for defendant,
Louisa Sadler.

State of Nevada,
County of Washoe—ss.

Alfred Sadler, being first duly sworn, deposes and says:

That he is a son of Louisa Sadler, whose counterclaim is hereinbefore set forth; that the attorneys for the said Louisa Sadler in the above entitled

action reside in the Counties of Elko and Washoe in the State of Nevada, and that the said Louisa Sadler resides in the County of Ormsby in said State and does not reside in either said Elko or Washoe County and is now absent therefrom, and for that reason is unable to verify said counterclaim; That the facts set forth in said counterclaim are within the knowledge of this affiant; that he has read the foregoing counterclaim and knows the contents thereof and that the same is true of his own knowledge, except as to the matters therein stated upon information and belief, and as to those matters he believes it to be true.

ALFRED R. SADLER.

Subscribed and sworn before me this 24 day of October, 1917.

[Seal]

MADELINE FITZGERALD,
Notary Public.

[Endorsed]]: Filed this 25th day of Oct. 1917.

[Endorsed]: Filed this 25th day of Oct., 1917.

Nevada. Defts. Exhibit D. Filed Oct. 18, 1946.
Amos P. Dickey, Clerk; By O. F. Pratt, Deputy.

Mr. Cooke: I suppose we ought at least give your Honor some substance of the exhibits as we go along. The mortgage, being Exhibit "C", which first went in, was the one your Honor has heard of being given by Alfred and Edgar Sadler March 2, 1918, at the time they made the borrow of \$16,500

from the Washoe County Bank and this mortgage was given in connection with the chattel mortgage that was given on cattle to secure that \$16,500. It also covers the same lands described throughout the documents here, the Diamond Valley Ranch, consisting of 3120 acres in Eureka County and the Big Shipley Springs, which seems to be a very important item as to the waterrights and ditches, and flumes and range rights, etc. The last document, being "D" for the defendant, Edgar Sadler, is a copy of that is designated a counterclaim of Louisa Sadler in the same action, No. 2380, mentioned in the previous offer, and it sets up in substance she is the widow of Reinhold Sadler, who died in January, 1906, that said Reinhold Sadler, from the time of the organization of the plaintiff corporation to the time of his death was the president and manager of said plaintiff and a large stockholder therein; that title to most of the lands described in plaintiff's amended complaint is derived upon application therefor with the State of Nevada [393] and patents issued by the State of Nevada, and Reinhold Sadler, at the time of his death was a resident of Carson City and that in order to protect the rights of the applicants in the purchase of these lands, Louisa Sadler sets forth the accrued interest from time to time on these said land applications, and in order to prevent a forfeiture of same that Reinhold Sadler advanced money from time to time prior to his death, with the request and knowledge and for the use and benefit of the plaintiff corporation, in the aggregate amount of

\$4804.70, no part of which has been paid, and verification of that is made by Alfred Sadler, who states his relationship to Louisa Sadler is son, and the inability of Louisa Sadler to verify and that the facts set forth are within the knowledge of the affiant, Alfred Sadler, the same are true, etc. in the usual form.

We offer in evidence another document designated counterclaim of Louisa Sadler, administratrix of the Estate of Reinhold Sadler, deceased, in the same action, No. 2380, as mentioned in the two preceding offers, and that is verified by Louisa Sadler on the 23rd day of October, 1917. That is prepared by the clerk of the court at Elko, the same as the preceding one.

Mr. Thompson: No objection, your Honor.

The Court: It may be admitted as Defendant's Exhibit "E".

DEFENDANT'S EXHIBIT E

In the Judicial District of the Fourth Judicial
District of the State of Nevada, in and for the
County of Elko.

No. 2380

HUNTINGTON AND DIAMOND VALLEY
STOCK AND LAND COMPANY,
a corporation,

Plaintiff,

vs.

THE HUNTINGTON VALLEY STOCK AND
LAND COMPANY, a corporation, THE
DIAMOND VALLEY LIVE STOCK AND
LAND COMPANY, a corporation, EASTERN
NEVADA INVESTMENT COMPANY, a
corporation, LOUISA SADLER, administra-
trix of the estate of REINHOLD SADLER,
deceased, LOUISA SADLER, EDGAR SAD-
LER, BERTHA SADLER, ALFRED SAD-
LER, CLARENCE SADLER, ELDRED G.
WINNIE, HARVEY CARPENTER, W. G.
TOWNSEND, JOHN DOE, RICHARD ROE,
JOHN DOE COMPANY, a corporation, and
JOHN DOE COMPANY,

Defendants.

COUNTERCLAIM OF LOUISA SADLER
administratrix of the estate of
Reinhold Sadler, Deceased.

Now Comes Louisa Sadler, as administratrix of

the estate of Reinhold Sadler, Deceased, one of the defendants above named, and for counter claim against the said plaintiff, avers,—

I.

That for several years past she has been and now is the duly appointed, qualified and acting administratrix of the estate of Reinhold Sadler, Deceased.

II.

That continuously for twelve years prior to the death of said Reinhold Sadler, on January 29, 1906, the said Reinhold Sadler was President of said plaintiff, and the Manager of all the business carried on by the said plaintiff, and of all of the property claimed by it, including the lands and premises described in the plaintiff's amended complaint, and that during all of said time as such President and Manager of said plaintiff, the said Reinhold Sadler, at the request and with the knowledge of said plaintiff, and for its use and benefit, did perform work and services during the whole of said time as President of said Company, and the Manager of all of its business and property, and especially of the lands and premises described in said amended complaint, which said services were reasonably worth the sum of \$150 per month.

That nothing has been paid to defendant for or on account of said work and services, although

demand therefor has been made; That said work and services were performed in and about the property described in plaintiff's amended complaint, and in the care, management and preservation of the same.

That there is now due and owing from the plaintiff to this defendant by reason of said works and services, the sum of \$21,600.

Wherefore, this defendant prays that she may have judgment against the said plaintiff in the sum of \$21,600, with legal interest thereon, and for her costs of suit.

LOUISA SADLER.

CURLER & CASTLE

CHENEY, DOWNER, PRICE
& HAWKINS

Attorneys for said defendant.

State of Nevada,
County of Ormsby—ss.

Louisa Sadler, being first duly sworn, deposes and says that she is one of the defendants in the above entitled action; that she has read the foregoing counter claim, and knows the contents thereof, and that the same is true of her own knowledge, except

as to those matters therein stated upon information and belief, and as to those matters she believes it to be true.

LOUISA SADLER

Subscribed and sworn to before me this 23, day of October, 1917.

[Seal]

GEORGE SANFORD

Notary Public.

[Endorsed]: Filed this 25th day of Oct. 1917.

[Endorsed]: No. 371 U. S. Dist. Court, District of Nevada Defts. Exhibit No. E. Filed Oct. 18, 1946 Amos P. Dickey, Clerk; By O. F. Pratt, Deputy.

Mr. Cooke: Plaintiff's Exhibit "E", as already stated, is counterclaim of Louisa Sadler in the same case as already stated and is a claim setting forth that she is the duly appointed and [394] qualified administratrix of the estate of Reinhold Sadler, deceased, and that for 12 years prior to the death of Reinhold Sadler, which was on January 29, 1906, the said Reinhold Sadler was the president of the plaintiff, the Huntington & Diamond Valley Stock and Land Company and the manager of all the business carried on by the plaintiff and all property claimed by it, including the lands and premises described in plaintiff's amended complaint, which includes the Diamond Valley Ranch; that during all of said time, as such president and manager of said plaintiff, the said Reinhold Sadler, with the know-

ledge of said plaintiff and for its use and benefit, did perform work and services during the whole of said time as president of said company and manager of all its business and property and especially of the lands and premises described in said amended complaint, which said services were reasonably worth the sum of \$150 per month. Then it is alleged nothing was paid to the defendant for or on account of said work and services, that the said work and services were performed in and about the property described in the plaintiff's amended complaint in the care, management and preservation of same. That there is now due and owing from plaintiff to this defendant, by reason of said work and services, the sum of \$21,600, with interest, and that is verified by Louisa Sadler, signed by her and also by Curler & Castle, and Cheney, Downer, Price & Hawkins, attorneys for said defendant.

We offer in evidence document designated as counterclaim of Edgar Sadler, introduced in the same case, namely No. 2380, same [396] case mentioned in the two proceeding offers, and it is verified on behalf of Edgar Sadler by Alfred Sadler on October 23, 1917, and signed by Curler & Castle, Cheney, Downer, Price & Hawkins, attorney for claimant.

Mr. Thompson: No objection your Honor.

The Court: It may be admitted as Defendant's Exhibit "F".

DEFENDANT'S EXHIBIT F

In the District Court of the Fourth Judicial District
of the State of Nevada, in and for the
County of Elko

No. 2380

HUNTINGTON AND DIAMOND VALLEY
STOCK AND LAND COMPANY,
a corporation,

Plaintiff,

vs.

THE HUNTINGTON VALLEY STOCK AND
LAND COMPANY, a corporation, THE
DIAMOND VALLEY LIVE STOCK AND
LAND COMPANY, a corporation, EASTERN
NEVADA INVESTMENT COMPANY, a
corporation, LOUISA SADLER, Administra-
trix of the estate of REINHOLD SADLER,
Deceased, LOUISA SADLER, EDGAR SAD-
LER, BERTHA SADLER, ALFRED SAD-
LER, CLARENCE SADLER, ELDRED G.
WINNIE, HARVEY CARPENTER, W. G.
TOWNSEND, JOHN DOE, RICHARD ROE,
JOHN DOE COMPANY, a corporation and
JOHN DOE COMPANY.

Defendants.

COUNTER CLAIMS OF EDGAR SADLER

Now comes Edgar Sadler, one of the defendants
in the above entitled action, and for counter claims
against the said plaintiff, avers,—

I.

That he is a son of Reinhold Sadler, who, prior

to his death in January, 1906, was for many years the President of the plaintiff non-resident corporation, and the manager of all the businesses carried on by the plaintiff, and all property claimed by it, including the lands and premises described in the plaintiff's complaint; that prior to the death of said Reinhold Sadler, this defendant had been in the employ of said plaintiff and was familiar with its business and holdings; that very shortly after the death of said Reinhold Sadler, this defendant was employed by the plaintiff as its resident agent in the State of Nevada, and as the manager of its business and property in the State of Nevada, and continued as such resident agent and manager and as such performed work and services for the plaintiff, and its request and with its knowledge, during the whole of the years 1906, 1907, 1908, 1909, 1910, and 1911, which said services were reasonably worth the sum of One Hundred and fifty Dollars per month.

That nothing has been paid this defendant for or on account of said work and services, although demand therefor has been made. That said work and services were performed in and about the properties described in said plaintiff's amended complaint, and in the care, management and preservation of the same.

That there is now due and owing from plaintiff to this defendant by reason of said work and services, the sum of Ten Thousand and Eight Hundred Dollars.

II.

For a second counter claim against said plaintiff, the defendant Edgar Sadler, avers,—

That heretofore and since January, 1905, this defendant has paid out and expended, at the request and with its knowledge and for the use and benefit of the plaintiff, and in the care, management and preservation of the lands and premises described in plaintiff's amended complaint, large and many sum of money, and this defendant has received divers credits on account thereof, and that there is now due, owing and unpaid from the plaintiff to this defendant, as a balance due on account of the money so paid out and expended by this defendant for the use and benefit of the plaintiff, as aforesaid, the sum of \$3398.55 no part of which has been paid, although demand therefor has been made.

Wherefore, defendant Edgar Sadler demands judgment against said plaintiff on the first counter claim herein, in the sum of \$10,800, and on the second counter claim in the sum of \$3398.55, with legal interest thereon, and for his costs of suit.

CURLER & CASTLE,

CHENEY, DOWNER, PRICE,
& HAWKINS,

Attorneys for defendant.

State of Nevada,
County of Washoe—ss.

Alfred Sadler, being first duly sworn, deposes and says that he is a brother of Edgar Sadler, whose counter claim is hereinabove set forth; that the attorneys for the said Edgar Sadler reside in the Counties of Elko and Washoe, in the State of Nevada, and that the said Edgar Sadler does not reside in either said Elko or Washoe County, and is now absent therefrom, and for that cause is unable to verify said counter claim; that the facts set forth in said counter claim are within the knowledge of this affiant; that he has read the foregoing counter claim and knows the contents thereof, and that the same is true of his knowledge, except as to the matters therein stated upon information and belief, and as to those matters he believes it to be true.

/s/ ALFRED SADLER.

Subscribed and sworn to before me, this 23rd day of October, 1917.

[Seal]

JOHN S. SINAI,
Notary Public.

[Endorsed]: Filed this 25th day of Oct. 1917.

[Endorsed]: No. 371 U. S. Dist. Court, District of Nevada. Defts Exhibit No. F. Filed Oct. 18, 1946. Amos P. Dickey, Clerk; By O. F. Pratt, Deputy.

Mr. Cooke: Defendant's Exhibit F appears to contain counterclaims of Edgar Sadler, one of the defendants, and it is alleged in substance that he is the son of Reinhold Sadler, who prior to his death in January, 1906, was for many years the president of the plaintiff non-resident corporation and managed all the business carried on in all the property claimed by it, including lands and premises described in plaintiff's complaint, and prior to the death of Reinhold Sadler this defendant had been in the employ of said plaintiff and familiar with its business and holdings; that very shortly after the death of said Reinhold Sadler, this defendant was employed by the plaintiff as its resident agent in the State of Nevada and as the manager of its business and property in the State of Nevada, and continued as such resident agent and manager and performed work and services for the plaintiff and at its request and with its knowledge during the whole of the years 1906, 1907, 1908, 1909, 1910, and 1911, which said services were reasonably worth the sum of \$150 per month. That nothing has been paid and that the work so performed in the preservation and management of said property is now due in the sum of \$10,800. The second counterclaim is in substance that [396] since January, 1905, this defendant, Edgar Sadler, has paid out and expended, at the request and with the knowledge, for the use and benefit of the plaintiff corporation, in its care, management and preservation of the land and premises described the amended complaint, large

and many sums of money and this defendant has received divers credits on account thereof and that there is now due, owing and unpaid from the plaintiff the sum of \$3398.55, no part of which has been paid, although demand therefor has been made, and then follows the demand for judgment on both counterclaims, the first one being for \$10,800 and the last one for \$3398.55, signed by the plaintiff as in the previous offer, naemly Curler & Castle and Cheney, Downer, Price & Hawkins, and verified by Edgar Sadler and Alfred Sadler, and so on.

We offer in evidence a certificate issued by the State Department of Agriculture as to the cattle brand of Floyd Sadler. It is signed by Edward—I can't make out the name, executive officer on behalf of the State Board of Stock Commissioners.

Mr. Thompson: We do not dispute that that brand, F hanging 3, is his brand.

Mr. Cooke: We might as well file it as an exhibit.

Mr. Thompson: We do not object, your Honor.

The Court: It will be admitted in evidence as Defendant's "G".

Mr. Cooke: I offer in evidence a certificate of brand recording issued by the State Department of Agriculture, dated [397] October 12, 1946 and signed by the same officer, on behalf of the same board of Stock Commissioners, as to the brand described as interlocking half circles of Edgar Sadler.

Mr. Thompson: If the Court please, we do not object to that offer insofar as it is a record, but we do object to it if it is offered as proof of the ownership of cattle bearing that brand, as a self-serving document.

The Court: Well, it would be evidence of Mr. Edgar Sadler's brand.

Mr. Thompson: Evidence that that brand is now recorded in the name of Edgar Sadler, we have no objection to it for that purpose, but we do not concede this is a proper proof of ownership of cattle bearing the brand.

Mr. Cooke: Well, we offer it without any strings, your Honor, for whatever it is worth.

The Court: It might be evidence of the contention that the cattle were owned by Mr. Sadler, but of course that would be better for the Court to determine in consideration of the case.

Mr. Cooke: I think it is just one of the phases of evidence in the case.

The Court: I think so. It may be admitted as Defendant's Exhibit "H".

46 Oct 12 AM 9:28

STATE DEPARTMENT
OF AGRICULTURE

STATE OF NEVADA
DEPARTMENT OF AGRICULTURE
CERTIFICATE OF BRAND RERECORDING

This is to certify that the INTERLOCKED HALF CIRCLES brand shown hereon, together with the marks and accessory data as entered on our records, has been rerecorded in the name of EDGAR SADLER address EUREKA, NEVADA for a period of five years ending December 1950, in accord with the provisions of Section 13, Chapter 26, Statutes of Nevada 1923, as amended February 19, 1925. RIGHT HIP CATTLE

STATE BOARD OF STOCK COMMISSIONER

By Edward Records
Executive Officer.

Brand



right left

ENDORSED:

1946 Oct 12 AM 9:28
STATE DEPARTMENT OF AGRICULTURE
No. 371
U.S. Dist. Court, District of Nevada
Deft's Exhibit No. H
Filed Oct 18 1946
Amos P. Dickey, Clerk
By C. F. Pratt, Deputy

Mr. Cooke: We offer in evidence certificate of brand recording, dated October 12, 1946, issued by the State Department [398] of Agriculture, signed by the same officer on behalf of the State Department of Stock Commissioners, as to the T E combined brand of Reinhold Sadler. On the back of it is an endorsement made by the State Board of Stock Commissioners and sort of explanatory note.

Mr. Thompson: I have no objection, your Honor.

The Court: It may be admitted in evidence as Defendant's Exhibit "I".

Mr. Cooke: We offer in evidence what purports to be a letter addressed to Edgar Sadler, dated May 6, 1944, and signed "Clarence." The body of the letter is in typewriting.

Mr. Thompson: I have no objection your Honor.

The Court: It may be admitted as Defendant's Exhibit "J".

Mr. Cooke: This Exhibit "J", as previously stated, is letter dated May 6, 1944, signed "Clarence", addressed to Mr. Edgar Sadler, and reads:

"Dear Edgar: I have heard that since Alfred's death you have repudiated the trust agreement of March 2, 1918. It is hard for me to believe that can be true, for we have treated you right in every way.

"The agreement shows that you and Alfred agreed to take title to and hold in trust for Father's heirs the Diamond Valley Ranch property and livestock.

"Do you really repudiate this trust after all these years during which time you have had a free hand? You know that in 1933 and again in 1937 you were willing to buy us out but you could not raise the money.

"Please let me hear from you.

Your brother, Clarence."

We offer in evidence what purports to be a letter dated Reno, Nevada, September 13, 1937, addressed "Dear Edgar" and signed "Alfred."

Mr. Thompson: Do you state that that letter is a letter which was received by Edgar Sadler?

Mr. Cooke: Well, maybe I should ask him about it.

Mr. Thompson: Well, if you state that it is.

Mr. Cooke: I don't know, Mr. Thompson, really, to tell the truth. May I interrupt the proceedings?

The Court: Yes.

MR. EDGAR SADLER

having been previously sworn, testified as follows on

Direct Examination

By Mr. Cooke:

Q. Mr. Sadler, will you look at the paper addressed "Dear Edgar" and signed "Alfred",

(Testimony of Mr. Edgar Sadler.)

dated September 13, 1937, and state if that is in the handwriting of Alfred Sadler? A. Yes.

Q. You knew his handwriting? A. Yes.

Q. And state if you received that in due course of the mails [400] from him? A. Yes.

Q. After or about the time or shortly after the date of it? A. Yes sir.

Q. And then you delivered it to me shortly after this suit was commenced? A. Yes sir.

Mr. Thompson: We have no objection to the letter, your Honor.

The Court: It may be admitted in evidence as Defendant's Exhibit "K".

DEFENDANT'S EXHIBIT K

Reno, Nevada

Sept. 13, 1937

Dear Edgar:

I heard a report that you were selling all the cattle on the ranch and range; about 800 head for \$60.00 per head. What is going on and doing, have you an offer for the ranch property also? What is the plan, this is all news to me. Is the program that you are quitting the ranch and let the Federal Land Bank foreclose on the loan that we borrowed on the ranch. If so, I would like to know. Are you selling out to Reinhold and Floyd and they thinking of running the ranch? If so, I do not see on what sort of plan they figure to do this.

(Testimony of Mr. Edgar Sadler.)

Cattle being sold might just sell the ranch and wind up the whole concern.

Clarence will be hearing of this report and I will be receiving some hot letters to know where he is coming off in the interest he claims in the ranch. (a $\frac{1}{4}$ interest.)

He seems to know about that \$3000.00 loan that took a year to get from the Federal Land Bank and said he does not understand why you did not secure a commission loan of \$10,000.00 and pay him \$6,000 for the $\frac{1}{4}$ interest, he owns.

I suppose you are through with cutting and putting up the hay. It is warm weather down here at present. The children are all going to school now, with love and kisses from all of us all to you all,

your Brother,
/s/ ALFRED

[Endorsed]: Filed Oct. 18, 1946.

Mr. Cooke: Defendant's Exhibit "K," which I have had typewritten for easier reading, is this letter of September 13, 1937 and reads:

"Dear Edgar:

I heard a report here that you were selling all the cattle on the ranch and range; about 800 head for \$60.00 per head. What is going on and doing, have you an offer for the ranch property also?

(Testimony of Mr. Edgar Sadler.)

“What is the plan, this is all news to me. Is the program that you are quitting the ranch and let the Federal Land Bank foreclose on the loan that we borrowed on the ranch. If so, I would like to know. Are you selling out to Reinhold and Floyd and they thinking of running the ranch? If so, I do not see on what sort of [401] plan they figure to do this.

“Cattle being sold might just sell the ranch and wind up the whole concern.

“Clarence will be hearing of this report and I will be receiving some hot letters to know where he is coming off in the interest he claims in the ranch. (A $\frac{1}{4}$ interest.)

“He seems to know about that \$3,000.00 loan that took a year to get from the Federal Land Bank and said he does not understand why you did not secure a Commission loan of \$10,000.00 and pay him \$6000 for the $\frac{1}{4}$ interest he owns.

“I suppose you are through with cutting and putting up the hay. It is warm weather down here at present. The children are all going to school now. With love and kisses from us all to you all.

Your Brother

Alfred.”

(Testimony of Mr. Edgar Sadler.)

Q. Mr. Sadler, have you looked at this paper, what purports to be a letter dated September 14, 1933, and addressed to "Dear Edgar" and signed "Alfred"? Will you state, if you know, whose handwriting that is in?

A. That is Alfred's.

Q. Did you receive that in due course of mail at or about the time it is dated? [402]

A. Yes sir.

Q. And you forwarded it to me?

A. Yes sir.

Q. It is now in the same condition as you received it, so far as the contents are concerned?

A. Yes sir.

Q. You have no envelopes for any of these letters?

A. Well, I don't know. I have so many papers home that I don't know if the envelope is there or not.

Mr. Cooke: We offer the document in evidence.

Mr. Thompson: No objection, your Honor.

The Court: It may be admitted in evidence as Defendant's Exhibit "L".

Mr. Cooke: Exhibit "L", the contents reads:

"I have not heard in regard to what you think about the buying of the interest I hold in the ranch. From the present looks of things, I will no doubt be let out of the position down here as they are short of funds to continue the same work in surveying the Public Lands. I guess I will have to give Clarence \$5000.00 cash for the interest he claims in the estate.

(Testimony of Mr. Edgar Sadler.)

He wants to buy a house and quit paying rent.

"If I am let out from this job, I will need money to buy a house and then by getting work no doubt can earn about \$100 a month which is the least I can run my [403] family on. But to pay rent for a house, I can not make the grade on \$100 a month and pay \$50 a month rent.

"Things seem to be slow in picking up and the banks are still closed here. No chance to get money around here.

"From what I learned at Berkeley on my few days visit down there, it appears that there would not be much trouble to make a loan from the Federal Land Bank as they seem anxious to loan money on farms.

"Sorry that Floyd had to be let out from the surveying job. He should take the Civil Service Examination as he is young and no doubt could land a fair position, as they are now giving these examinations. My age now is what puts me out of taking a new examination.

"My family is in fair health and we are making the best of conditions.

"Hope that you are all well, and making the best of conditions.

"Maybe Reinhold and Floyd would go in with you in regard to the ranch proposition.

"Love from us all

Your Brother

Alfred." [404]

Q. Mr. Sadler, I show you what purports to be a letter dated September 2, 1933, addressed "Dear Edgar," consisting of three pages in lead pencil writing and appearing to be signed "Alfred." Will you look that over and state if you ever saw that document before? A. Oh, yes.

Q. Whose handwriting is that in?

A. Alfred's.

Q. And did you receive that in the regular course of mails? A. Yes, sir.

Q. And so far as you know, about the time it is dated? A. Yes, sir.

Q. It is one of the letters that you turned over to me after this suit was commenced?

A. Yes, sir.

Mr. Cooke: We offer it in evidence.

Mr. Thompson: No objection, your Honor.

The Court: It may be admitted in evidence as Defendant's Exhibit "M."

Mr. Cooke: Defendant's Exhibit "M" reads:

"Dear Edgar:

"A few lines to say that I am in fair health and the rest of the family are in fair health. I just returned from a few days down in Berkeley and San Francisco.

"I was over to the Berkeley Land Bank which has the [405] mortgage on the ranch. I inquired into conditions and find the situation good in regard to securing a loan. The question is as follows:—now since Reinhold is married and intends to live on the ranch and con-

(Testimony of Mr. Edgar Sadler.)

tinue in this line, I thought that you and him would like to buy my interest out in the property. I believe that the same could be done if you and Reinhold intend to go together and run the same.

“The plan would be as follows for you to have Mr. Hatch of Elko make a new appraisal of the property and then get a loan from the Federal Land Bank as you and Reinhold and Floyd if you want him interested, cancelling the old loan that you and I owe to Federal Land Bank as of date May 1, 1933. We owe the Federal Land Bank \$12,271.77. Now you and Reinhold get a loan from Federal Land Bank of \$18,000 on the ranch and loan from the Bank Commissioner of \$5,000, making a total of \$23,000 on the property, then pay off the loan of \$12,271.77 that you and I owe to the bank—\$ 2300.00

12271.77

10728.23

buy my interest or just get this loan and give me \$10,000 for my interest in the property.

“This can be done as I saw Mr. Long and Mr. Huston. Mr. Huston is the head appraiser. Now Mr. Harch of Elko would have to make a new appraisal on the ranch [406] and if sent down inside of the next sixty days, I understand the deal could go through. Mr. Hatch appraisal

(Testimony of Mr. Edgar Sadler.)

with yours and Reinhold's application for this loan of \$23000 would come before Mr. Huston and no doubt his O.K. will be on the same. Mr. Huston called up the General Counsel of the Federal Land Bank and he told Mr. Huston that the plan was all right so far as he could see at present.

"This means quick action so that the funds will not be all loaned out. They seem to want to do business and after Mr. Hatch appraisal with your and Reinhold's application for this loan, I do not see any hitch.

"Let me know after you talk the same over with Reinhold in regard to the same.

"Your Brother,

"ALFRED.

"P. O. Box 433, Reno, Nevada."

Q. Mr. Sadler, would you look at what purports to be a letter dated July 28, 1932, addressed "Dear Alfred" and signed "Clarence," and I will ask you to state in whose handwriting that is?

A. That is Clarence's.

Q. Do you know under what circumstances that came into your possession?

A. It was sent through the mail. [407]

Q. Well, that is addressed "Dear Alfred."

A. Well, he sent it to me.

Q. Alfred? A. Yes.

(Testimony of Mr. Edgar Sadler.)

Q. Do you remember about the time you got it? It is dated July 28, 1932.

A. Well. I guess when he got the letter he sent it on to me.

Q. Some time after that? A. Yes.

Q. Attached to the portion in ink is a lead pencil sheet. Did that come with the letter that you received as you received it from Alfred, do you remember? A. I think it did.

Q. Whose handwriting is it in, if you know?

A. That is in Alfred's writing.

Q. That is that lead pencil sheet? A. Yes.

Q. And the one in ink is in Clarence's?

A. Yes.

Mr. Cooke: We offer it in evidence.

Mr. Thompson: We have no objection, your Honor.

The Court: It may be admitted in evidence as Defendant's Exhibit "N."

Mr. Cooke: The Defendant's Exhibit "N" is a letter of July 28, 1932, and reads: [408]

"Dear Alfred: I called at the Federal Farm Bank in Berkeley this morning and got some information on the ranch loan. I am enclosing sheet with the figures. Mr. Hodgson believes that we could increase the loan to \$18500. Of course, if another application is made for money it will require another appraisal. The loan now is \$13000. You will note from the sheet that in March, 1930, Edgar tried to borrow \$4000 more

(Testimony of Mr. Edgar Sadler.)

to invest in cattle. Don't you think it is about time he starts in buying our share instead of borrowing more money on the land and investing same in cattle exclusively for his benefit? We should go after him to borrow this \$5000 from the bank and another \$5000 on his cattle and buy us out. Then he would have the whole thing and could do with it as he pleased. Instead he wants to put more debt on the land entirely for his benefit. It is about time we made a move. Don't believe he made application for the money after our talk in Reno because there was no reference to the matter in the file. You will note the bank's appraisal is on \$40000 and says the ranch will bring \$30000 on a forced sale. This would be about \$5000 apiece after the loan is paid if the Court at Carson should order it sold and distribution be made of the money between the heirs. [409]

"You will also note that a part of the loan went to Tom Dixon on cattle for the ranch. Of course, Edgar and Ethel now claim these cattle.

"We are looking for Helen to come down. Suppose she is waiting on Bryson. We are having warm weather. How are your teeth these days? Hope you are getting use to the plates. We are all well and hope you all are in good health. Kindest regards to outsiders and love & kisses to the family from all of us.

"Your Brother,

"CLARENCE.

(Testimony of Mr. Edgar Sadler.)

“I think it would be a good idea to let Edgar know I am looking into matter. Maybe it would bring him to action so he would arrange for loan.”

Then the lead pencil sheet mentioned is some notations that Edgar borrowed in 1928 13 thousand dollars at 5 per cent and writing about lumber and cattle and garage, etc., Eureka County Bank \$8500.

The Court: The lead pencil writing was in the hand of——

A. Alfred.

The Court: And the other in the hand of Clarence? A. Yes.

Mr. Thompson: Don't you think that is incomplete without explanation of the witness. I was wondering if you were reading what was there or trying to fill in.

Mr. Cooke: No, just reading the high spots: “11510 plus [410] \$650 membership in Elko Stock Assoc. Will get \$650 back when loan is paid.” Then refers to an appraisal by the bank: “190 acres at \$35 per acre, 1000 acres at \$20 per acre, 600 acres at \$10 per acre, 1080 acres at \$2 per acre, 250 acres at none,” making up the total of 3120 acres, and the buildings \$6500. Well, the aggregate of land value is \$34,810 and buildings \$6500, making total of \$41,310. Then sets up payments on interest November and May 1st, \$390; loan has never been decreased. “Believe loan can be increased to \$18500. Bank will loan 50% of appraised value of property

(Testimony of Mr. Edgar Sadler.)

and 20% of appraised value of buildings. Loan runs 36 years. On March 28, 1930, Edgar tried to borrow \$4000 more to buy cattle. Said he had \$4000 and with other \$4000 from bank would go to buy cattle. Bank refused to make loan on cattle. Record shows Edgar has between 500 and 600 head of cattle."

Q. Mr. Sadler, I show you what purports to be a letter dated October 23, 1928, addressed to "Dear Edgar" and appearing to be signed "Alfred" and I wish you would look that over and state, if you know, whose handwriting that is?

A. That is in Alfred's handwriting.

Q. And what is that, is that a letter that you received from him?

A. Yes, sir.

Q. And so far as you know was that received by you in the regular course of mails at or about the time it is dated?

A. Yes, sir. [411]

Q. And kept in your possession until delivered to me after the suit was brought?

A. Yes, sir.

Q. The contents are now in the same condition as they were when you received it?

A. Yes, sir.

Mr. Cooke: We offer it in evidence.

Mr. Thompson: We have no objection, your Honor.

The Court: It may be admitted in evidence as Defendant's Exhibit "O."

(Testimony of Mr. Edgar Sadler.)

Mr. Cooke: The Exhibit "O" is dated October 23, 1928, addressed "Dear Edgar" and reads:

"A few lines to let you know that we are all enjoying fair health except my wife. She has headaches and is very nervous. The doctor is giving her gland medicine as he says some of the glands are not functioning right. I notice in the papers that John Eccles has sold his cattle and intends to move to Oakland, California. What do they intend doing with the place up. No doubt from the sale of the cattle he paid Mrs. Eccles and Tom for their interest in the ranch. Does John intend buying a place down in California or what is he going to do. I judge that he secured a good price for the cattle, that is why he sold the same, or was he just tired of trying to make a go of the place and [412] concluded that he would try something else. No doubt you received the paper in regard to the mortgage that I sent up after signing and have sent the same down to the Federal Reserve Land Bank at Berkeley, before they will grant the loan that you made application quite a while back.

"In the coming election, support Tom Lotz for State Surveyor General as he favored us many ways. In fact loaned mother money in regard to when the lands were patented on the Diamond Ranch during the misup. Of course mother paid him back but I think that he is the best fitted for the job and understands the same.

(Testimony of Mr. Edgar Sadler.)

“Pittman also has favored us and we should help him in this fight against Platt if possible. The fight between Pittman and Platt is going to be very close. I believe that there is going to be some big surprises this election.

“The weather down here is pretty fair but there is generally a frost each morning but the days are nice. The mountains have had several snow storms but the snow did not stay extra long on the same.

“Plenty of changes are taking place down this section. Quite a number of merchants are selling out or forced out. The big stores make it so hard that they cannot make a go of the business. The rents being so [413] high.

“I do not know of any special news that might be of interest to you. Therefore will close with love and kisses to all from us all. Kind regards to inquiring friends.

“Your brother,

“ALFRED.”

Q. Mr. Sadler, I show you what purports to be a letter signed “Alfred Sadler” and addressed to “Dear Edgar” and dated Reno, Nevada, September 15, 1928, and ask you to state, if you know, what that document is and in whose handwriting it is? A. That’s his writing.

Q. Whose writing? A. Alfred’s.

(Testimony of Mr. Edgar Sadler.)

Q. There are four pages to this letter. Does that apply to all four? A. Yes.

Q. When did you receive this letter?

A. A few days after it is dated there.

Q. And it is now in the same condition, so far as the contents are concerned, as it was when you received it? A. Yes, sir.

Mr. Cooke: We offer it in evidence.

Mr. Thompson: We do not have any objection, your Honor. He can start reading it. [414]

The Court: It may be admitted in evidence as Defendant's Exhibit "P."

Mr. Cooke: Exhibit "P" is letter dated September 15, 1928, addressed "Dear Edgar":

"I am writing to inquire whether you were able to secure the loan with the Federal Reserve Bureau in regard to the ranch or whether you were still continuing the loans with the Banks. At that time you said that it might take a few months before they would let you know or take action in the matter. The reason of this is I will have to make a borrow of Five Thousand Dollars because I want to buy or start a home. I do not want to borrow from the Building & Loan Companies because their rate of interest is so high, if possible. I was thinking that perhaps you could get the money from the Eureka Bank or Bank in Elko. Do you think it possible to get the same from either bank say for a period of ten years and pay about 7% inter-

(Testimony of Mr. Edgar Sadler.)

est per year. My plan is as follows, you to borrow the money for me on the ranch. I to pay you back the same as soon as possible which would take 8 or ten years. As you can judge from the following: \$5000, .07, \$350.00 interest per year; 10 years, \$3500.00 as interest; \$5000 principal * * *

and then follows some further computations along the same line: [415]

“Thus on thru, I judge that it would take 8 or ten years to pay the same.

“As it stands now, I am paying rent and see little for the same and think that if I can do something in this way I might have a home or something in about twelve years. The main thing with me now is for me to keep my health and be able to hold my position or have work that will keep me going to make ends meet. I know that if you have made the loan with the Federal Reserve Bureau, the ranch is tied up anyway for from 5, 10 or 15 years. (Unless some one should come along and be willing to buy the same at a price that you thought the ranch should bring.

“Let me know as soon as possible how conditions are and whether you think it feasible to secure the loan. Say even for 5 years it would be a start in getting a home, and if only for a period would mean an equity in something, which means the saving of something. Now as it

(Testimony of Mr. Edgar Sadler.)

stands paying out for rent one does not have anything to show for the money at the end of each year.

“I would like to know whether you think it possible that you could secure the amount. I know that on account of the conditions in Reno that money is tight and would be hard to secure. Also on account of the Presidential election money seems to be tied up somewhat and hard to get right at present. My idea is to buy a five or six [416] room house for a home. My wife has not been in extra good health since the little girl was born and I think by getting a place it would give her something to work for and help and not be so large as the place we are renting and the work would be less. Then one knows that everything is not being paid out for rent. This makes her worries and trouble to think that everything is going and nothing saved. Now I hope that you and your family are all enjoying fair health and doing the best possible. I do not know how things are looking up in that section but hope that they are better than last year. Now let me know as soon as possible whether you think that the loan could be secured.

“With love to all from all of us,

“Your brother,

“ALFRED SADLER.”

The Court: We will recess at this time. The Court will be in recess until Monday morning at 10:00 o'clock in Reno in this case. Let the record show that in adjourning today we adjourn in respect to the memory of George Thatcher.

(Court adjourned at 4:30 p.m.) [417]

Monday, October 21, 1946

10:00 A.M.

Appearances: Bruce R. Thompson, Esq., Attorney for Plaintiff.

H. R. Cooke, Esq., John D. Furrh, Jr., Esq., Attorneys for Defendant Edgar Sadler.

Mr. Thompson: Your Honor, Mr. Springmeyer hasn't arrived but we have no objection to proceeding.

Mr. Cooke: No objection.

The Court: Would you like to have the Court wait a few minutes?

Mr. Thompson: No, that is all right, your Honor.

MR. EDGAR SADLER

resumed the witness stand on further

Direct Examination

By Mr. Cooke:

Q. Mr. Sadler, I show you what purports to be letter dated April 13, 1928, and addressed to "Dear

(Testimony of Mr. Edgar Sadler.)

Edgar” and signed “Alfred.” I ask you to look that over and state if you know what that is.

A. That is a letter from Alfred to me.

Q. Did you receive that letter about the time it is dated, or shortly after? A. Yes.

Q. And in the regular course of the mails?

A. Yes.

Q. And the letter is now in the same condition, so far as contents are concerned, as it was when you received it? A. Yes, sir. [418]

Mr. Cooke: We offer it in evidence.

Mr. Thompson: We have no objection, your Honor.

The Court: The exhibit may be admitted in evidence as Defendant’s Exhibit “Q.”

Mr. Cooke: Exhibit “Q” reads, from my copy, as follows:

“Reno, Nevada, April 13, 1928. Dear Edgar: Your letter received and contents noted.

“I have signed the applicant that H. U. Castle sent in regard to the Federal Bank Reserve. No doubt he has the same already and I judge that you told him to ship the same to headquarters. It is question in my mind that same will be granted, because of just raising hay on the place. They generally want grain and barley with hay, also vegetables and other produce raised, dairy, etc. Then also when just raising hay they know that unless one has cattle to feed there is no market to get the price for

(Testimony of Mr. Edgar Sadler.)

hay. Judging from the report signed it shows very little progress being made in the ten years since the ranch was supposed to be bought. Because they make inquiry and know from the banks that interest, taxes and expenses is all the ranch has been paying. The report shows that about 1000 tons of hay is raised and cut each year. The average price per ton of \$7, thus showing that the income from the ranch is \$7000 per year. Now the taxes each year is about \$750. The interest [419] each year on money borrowed about \$1000. Expenses for hired help or labor \$1000. Now \$1000 plus \$1000 plus \$750 equals \$2750. Improvements per year \$1000, \$3750; Farming Implements \$300, \$4050. Nothing shown of any reseeding cost. Of course, if they have money to loan out, the same might be granted and no doubt it will take about three or four months before you will hear from them. They will naturally send three different men to look the same over and make report on the same. I signed the same and returned it to Mr. Castle, so I guess that he will send it or give it to the Federal Bank Reserve party in Elko.

“My folks are all pretty fair and trying to get along as conditions and circumstances will permit.

“I hope that you and your family are all enjoying fair health.

“The weather down here is still cold and

(Testimony of Mr. Edgar Sadler.)

frost are noticed every few mornings so that things are not growing very much. It is hard to say now the condition about water around here as we have been getting some snow in the mountains.

“With love to all from us all.

“Your Brother,

“ALFRED.”

Q. Mr. Sadler, I show you what purports to be a mortgage dated [420] February 17, 1927, between Edgar Sadler and Ethel Sadler, his wife and Alfred and Kathryn Sadler, his wife, as mortgagors, and First National Bank of Winnemucca and Farmers & Merchants National Bank of Eureka as mortgagees. You have seen that instrument before, have you? A. Yes, sir.

Q. You signed it, did you?

A. I signed it.

Q. That is your signature on the bottom?

A. Yes.

Q. And that is the signature of Alfred Sadler?

A. Yes, sir.

Q. And Ethel Sadler and Kathryn Sadler?

A. Yes, sir.

Mr. Cooke: We offer this document in evidence.

(Mr. Springmeyer present.)

Mr. Thompson: No objection, your Honor.

The Court: It may be admitted as Defendant's Exhibit “R.”

(Testimony of Mr. Edgar Sadler.)

Q. I show you what purports to be mortgage dated March 28, 1929, between Edgar Sadler, a resident of Ramona, Eureka County, as mortgagor, and Farmers & Merchants National Bank of Eureka as mortgagee, and ask if that is your signature on the second page? A. Yes, sir.

Q. You recollect executing the document, do you? A. Yes, sir. [421]

Mr. Cooke: We offer it in evidence.

Mr. Thompson: No objection, your Honor.

The Court: It may be admitted as Defendant's Exhibit "S."

Mr. Cooke: For the further information of the Court, exhibit "R" is mortgage dated the 7th of February, 1927, by Edgar and Ethel Sadler and Alfred and Kathryn Sadler to First National Bank of Winnemucca and Farmers & Merchants Bank of Eureka, and the principal sum secured is ten thousand dollars by two promissory notes, the notes being signed by the same mortgagors of it, and then a description of this Diamond Valley Ranch property, water-rights, etc., and included—this is a real and chattel mortgage combined—included in the mortgage are 300 cattle branded quarter circle on the right hip and 50 calves earmarked a certain marking of the ear, 350 ewes branded quarter circle, 105 weaners and 6 bucks, and then it goes on in more or less conventional form of bank mortgages, what the mortgagor has to do, and it is recorded, acknowledged by all the parties and certified by the notary public certificate annexed under the old law, and recorded April 4, 1927.

(Testimony of Mr. Edgar Sadler.)

Exhibit "S" is a mortgage executed—it doesn't say on its face, but it is a chattel mortgage executed by Edgar Sadler to secure the principal sum of \$2700. It is stated that the principal sum is \$27.00. That is a mistake, but it is for \$2700.00.

Q. Mr. Sadler, I notice this Exhibit "S," the mortgage that you signed, states that you are indebted in the sum of \$2700 and then it states down here the principal sum is \$27.00. Which was [422] the correct amount? A. \$2700.

Mr. Cooke: That the Farmers & Merchants National Bank of Eureka is the mortgagee and the property mortgaged is 380 head of cattle branded two half circles on the right hip and earmarked certain mark on the right ear, and that is acknowledged by Edgar Sadler and certified by the Notary and recorded March 28, 1929, in Book C, Title Mortgages, page 485, Eureka County records.

Q. Mr. Sadler, I show you another document designated mortgage, dated August 4, 1930, between Edgar Sadler, Ethel Sadler, his wife, and Reinhold Sadler, residents of Eureka, Eureka County, State of Nevada, as mortgagors, and Farmers & Merchants National Bank of Eureka mortgagee, and ask you if you know what that document is and if you signed it. That is a copy. Did you sign the original of that mortgage that you recall about that time, August 4th, to secure the sum of \$10,100? A. Yes, sir.

Q. And this copy indicates that it was signed by you and your wife, Ethel Sadler, and Reinhold Sadler? A. Yes, sir.

(Testimony of Mr. Edgar Sadler.)

Q. And it covers certain head of cattle that are there described.

Mr. Cooke: We offer the copy in evidence. This was secured from the recorder up there.

Mr. Thompson: In Eureka County? [423]

Mr. Cooke: Yes, that is one he prepared for us from his records.

Mr. Thompson: No objection, your Honor.

The Court: It may be admitted as Defendant's Exhibit "T."

Mr. Cooke: Exhibit "T," as previously stated, is mortgage made by Edgar Sadler, Ethel Sadler, and Reinhold Sadler, mortgagors, to the Farmers & Merchants National Bank, Eureka, to secure in the sum of \$10,100, with interest, etc., interest being 8%, and the property mortgaged consists of 600 head of cattle, some branded two half circles on the right hip and slit in right ear, some branded T E connected on the left hip, and the original is recorded on August 4, 1930, in Book C, Title Mortgages, records of Eureka County. Endorsed upon the document is the following: "I hereby certify that this mortgage has been fully paid, satisfied and discharged. Farmers & Merchants National Bank, Eureka, Nevada, by C. L. Tobin, cashier. Dated October 31, 1936."

Q. You have a document dated December 27, 1932, copy of document I should say, signed Edgar Sadler, Ethel Sadler and Reinhold Sadler, and purporting to be a mortgage. Did you examine that document?

A. Yes, sir.

(Testimony of Mr. Edgar Sadler.)

Q. Do you remember anything about you and the other parties executing the original of that?

A. Yes, sir.

Q. That is for money that you borrowed from the bank? [424]

A. Yes, sir.

Mr. Cooke: We offer it in evidence.

Mr. Thompson: Who prepared this copy?

Mr. Cooke: The clerk, was under his direction; I couldn't say further than that.

Mr. Thompson: No objection.

The Court: It may be admitted as Defendant's Exhibit "U."

Mr. Cooke: Defendant's Exhibit "U" is a copy of mortgage executed by Edgar Sadler, Ethel Sadler, and Reinhold Sadler, as mortgagors to the Regional Agricultural Credit Corporation, Salt Lake City, Utah, and secured by note in the principal sum of nine thousand dollars with interest, and is a chattel mortgage on 70 steers, Hereford yearlings, 67 Hereford yearlings, 294 cows, Hereford, two to eight years old, 54 calves, Hereford, 9 bulls Hereford, cattle branded quarter circle on the right hip and ear marked with slit on the right ear or T E on the left hip and ear marked with drop and upperbit in right ear and underbit in left ear, and 30 horses branded half circle "S," and also some 90 tons of hay now on the ranch. This is recorded in Book C, title Mortgages, page 291 Records of Eureka County, Nevada, on January 9, 1933.

(Testimony of Mr. Edgar Sadler.)

Q. Mr. Sadler, I have handed to you—have you examined that? A. Yes, sir.

Q. ———what appears to be a mortgage executed by Edgar Sadler, Ethel Sadler, Reinhold and Verna Sadler, to the Regional Credit [425] Corporation. Are you familiar with the original of that document? A. Yes, sir.

Q. Who is Verna Sadler?

A. Reinhold Sadler's wife.

Mr. Thompson: What is the date of that, Mr. Cooke?

Mr. Cooke: It is dated—it says, “first above written” and there doesn't appear to be any “first above written” that I can locate, but the acknowledgment and affidavit is dated February 9, 1934. There are two or three acknowledgments on it but they appear to be all dated about the same time. We offer it in evidence.

Mr. Thompson: Did Mr. Sadler testify that this is a copy of the original which they executed at that time?

Mr. Cooke: I don't know as he precisely answered that way. I can ask him.

Q. I will ask you, Mr. Sadler, the document I last showed you made to the Regional Agricultural Credit Corporation as mortgagee and yourself and wife Ethel and Reinhold and Verna Sadler as mortgagors, in the sum of \$12,900, and it is dated, according to the acknowledgments along in about the 9th of February, 1934, do you remember executing the original of that document? A. Yes, sir.

(Testimony of Mr. Edgar Sadler.)

Q. That is a copy of it? A. Yes, sir.

Q. As far as you know it is a correct copy?

A. Yes, sir.

Mr. Thompson: We have no objection, your Honor.

The Court: It may be admitted as Defendant's Exhibit "V."

Mr. Cooke: Exhibit "V," as already stated, is mortgage by the parties named to secure \$12,900 with the Regional Agricultural Credit Corporation of Salt Lake City, and it mortgages 40 steers, Hereford yearlings, 70 steers Hereford 2-year-olds, 25 heifers, Hereford yearlings, 60 Hereford heifers, year old, 286 cows, Hereford, 206 calves Hereford, 12 bulls, Hereford registered, and also livestock purchased from the proceeds of the loan, 30 horses and 900 tons of hay, etc. It appears to have been record in Book C of Title Mortgages at page 372.

Q. The document which you now hold in your hand, what is that, Mr. Sadler?

A. That is a commissioner's loan, I think.

Q. Do you recalling signing the document?

A. Yes, sir.

Q. And the other signatures are Ethel Sadler and Alfred Sadler and Kathryn Sadler?

A. Yes, sir.

Q. They are the signatures of the persons named? A. Yes, sir.

Q. On the face of it there appears to be some lead pencil markings, do you know anything about that? A. No, I do not. [427]

(Testimony of Mr. Edgar Sadler.)

Mr. Cooke: I offer it in evidence.

Mr. Thompson: No objection, your Honor.

The Court: It may be admitted as Defendant's Exhibit "W."

Mr. Cooke: Defendant's Exhibit "W" is a mortgage to the so-called Land Bank, Commissioner deed of trust, dated September 28, 1936, and is secured by the real property described as 3120 acres more or less. The principal sum is \$4300, subject to an existing Federal Land Bank encumbrance. It is recorded at the request of W. A. Rankin November 12, 1936, in Book G of Mortgages, page 84.

Q. Who was Mr. W. A. Rankin, do you know, Mr. Sadler?

A. He was connected with the Federal Land Bank in Elko.

Q. I show you a photostat of what appears to be a State of Nevada Land Commissioner's deed of trust. Did you examine that? A. Yes.

Q. Do you recall anything about executing the original? A. Yes, sir.

Mr. Thompson: What is the date of that, please?

Mr. Cooke: 15th of April, 1937.

Q. Do you recall that your wife and Alfred Sadler and his wife signed it also?

A. Yes, sir.

Mr. Cooke: We offer the photostat in evidence.

Mr. Thompson: No objection, your Honor.

The Court: It may be admitted as Defendant's Exhibit "X."

(Testimony of Mr. Edgar Sadler.)

Mr. Cooke: Defendant's Exhibit "X" is a mortgage land bank commissioner deed of trust, dated April 15, 1937, and describes the Diamond Valley Ranch, 3120 acres more or less, subject to an existing Federal Land Bank encumbrance, and apparently has the conventional provisions and it is recorded May 11, 1937, in Book G of mortgages, page 96, of Eureka County records. Attached to the exhibit is a deed of reconveyance by the trustee Walter C. Dean, of the property described in the deed of trust. That is dated January 31, 1942.

The Court: Who executed the deed of trust mortgage?

A. Edgar A. Sadler, also known as Edgar Sadler, and Ethel Sadler, his wife, Alfred Sadler and Kathryn Sadler.

Q. Have you looked at the document I handed you a while ago? A. Yes, sir.

Q. That appears to be a photostat of release of a chattel mortgage? A. Yes, sir.

Q. And annexed to it is a livestock chattel mortgage, or at least a photostat of livestock chattel mortgage, dated April 15, 1937, by yourself, Edgar A. Sadler, Ethel Sadler, Reinhold Sadler and Verna Sadler. Do you remember executing the original of that chattel mortgage? A. Yes, sir.

Q. And it has been released as indicated by the photostat of the release? [429] A. Yes, sir.

Mr. Cooke: We offer the document in evidence.

Mr. Thompson: No objection, your Honor.

(Testimony of Mr. Edgar Sadler.)

The Court: It may be admitted as Defendant's Exhibit "Y."

Mr. Cooke: Defendant's Exhibit "Y" is release of a chattel mortgage annexed to a livestock chattel mortgage, dated April 15, 1937, which was given for security in the sum of \$4200, payable in installments, and it is secured by 60 head of steers, mixed breed, 132 steers, mixed breed, 74 heifers, mixed, 71 heifers, mixed, 300 cows, mixed, 31 cows, mixed, 222 calves, mixed, 12 bulls registered Hereford, and 12 unclassified, and then it gives the brand, T E on the left hip or quarter circle on the right hip and ear marks. Also 22 work horses and 6 saddle horses and 800 tons of hay.

Q. Now, Mr. Sadler, in this instrument that I read from, you note that the breed is described as mixed. What were the different breeds that you had there? A. Hereford——

Q. Some Hereford, were there?

A. Yes, sir.

Q. And what were the others?

A. Durham.

Q. And anything else? They were all Hereford and Durham? A. Yes, mostly Hereford.

The Court: Who executed that instrument?

Mr. Cooke: Edgar and Ethel Sadler, his wife, and Reinhold and Verna Sadler, his wife.

Q. You have a photostat of the release of chattel mortgage dated September 28, 1936, and annexed to that photostat of a so-called livestock, crop and chattel mortgage, is that right? A. Yes, sir.

(Testimony of Mr. Edgar Sadler.)

Q. That includes a number of cattle and some horses and hay and it is made by Edgar A. Sadler, Ethel Sadler, Reinhold Sadler and Verna Sadler, is that right? A. Yes, sir.

Mr. Cooke: I offer it in evidence.

Mr. Thompson: No objection, your Honor.

The Court: It may be admitted in evidence as Exhibit "Z."

Mr. Cooke: Exhibit "Z" is a photostat of a chattel mortgage made by Edgar A. Sadler, also known as Edgar Sadler, and Ethel Sadler, his wife, and Reinhold Sadler and Verna Sadler, his wife, on September 18, 1936, to the Land Bank Commissioner, and annexed to it is a release of the same chattel mortgage as part of the same exhibit, the chattel mortgage being for the principal sum of \$4300, payable in installments, and refers to a mortgage already on the property of \$13,544, and the chattel mortgage is secured by 68 steers, mixed, 132 steers, mixed, 74 heifers, mixed, 300 cows, mixed, 31 cows, mixed, 222 calves, mixed, 15 bulls, registered Hereford, 12 unclassified, and also giving their ages and branded T E on the left hip or quarter circle on the right hip, [431] and gives ear marks and includes 22 work horses, 6 saddle horses, and 800 tons of hay in the stack, the horses being branded quarter circle "S" on the right shoulder.

Q. Have you looked over the document I handed you? A. Yes, sir.

Q. With reference to the exhibit that I just referred to, to the part that refers to mixed stock,

(Testimony of Mr. Edgar Sadler.)

would your same answer apply to that as to the previous exhibit? A. Yes.

Q. This document which I just handed you and which you have examined, appears to be dated June 4, 1938, and purports to be made by you and Ethel Sadler and Reinhold Sadler and Verna Sadler, mortgagors to the Land Bank Commissioner. Do you recall anything about the execution of the original of that mortgage? A. Yes, sir.

Q. You did join with the other persons in signing the original mortgage, did you?

A. Yes, sir.

Mr. Cooke: We offer the document in evidence.

The Court: Just who executed that mortgage?

Mr. Cooke: Executed by Edgar A. Sadler, also known as Edgar Sadler, and Ethel Sadler, his wife, and Reinhold Sadler and Verna Sadler.

Mr. Thompson: No objection, your Honor.

The Court: It will be admitted as Defendant's Exhibit "A-1." [432]

Mr. Cooke: Defendant's Exhibit "A-1" is a chattel mortgage—the word "crop" seems to have been stricken—made by Edward Sadler, Ethel Sadler, Reinhold Sadler and Verna Sadler, and is acknowledged before a notary public by the mortgagors on June 4, 1938, filed under the new law on June 4, 1938, according to the endorsement, and secured by a number of installments averaging in the neighborhood of \$300 each, with interest at 5%.

Q. You have what appears to be a photostat of some document in your hand? A. Yes, sir.

(Testimony of Mr. Edgar Sadler.)

Q. Do you know anything about obtaining the original of the document of the photostats signed by the various persons on behalf of the Federal Land Mortgage Corporation on behalf of the Federal Land Bank of Berkeley and they purport to state release of property and chattel mortgage?

A. Yes.

Q. Were those releases obtained by you or through your efforts or with your knowledge?

A. Yes, sir.

Q. You know of the fact that the mortgages were paid off? A. They were.

Mr. Cooke: We offer them in evidence as one exhibit.

Mr. Thompson: Could you tell us which mortgages these released?

Mr. Cooke: I couldn't without checking with the defendants, [433] Mr. Thompson. I haven't those figures immediately available.

Mr. Thompson: No objection, your Honor.

The Court: It may be admitted in evidence as Defendant's Exhibit B-1.

Mr. Cooke: Defendant's Exhibit "B-1" is photostat of the releases of a chattel mortgage executed by Edgar Sadler, Ethel Sadler, Reinhold Sadler and Verna Sadler, in favor of the Land Bank Commissioner on June 4, 1938, the release being dated June 21, 1938, and it is acknowledged on the 21st of June, 1938, by the officials of the Federal Land Bank of Berkeley, the first one. The second one is a release of a crop and chattel mortgage, dated

(Testimony of Mr. Edgar Sadler.)

June 4, 1938, the release being dated June 21, 1938, executed on behalf of the Federal Land Bank of Berkeley. The first one on behalf of the Federal Farm Mortgage Corporation by the Federal Land Bank of Berkeley, and then follows the acknowledgment of the officers before a notary. Apparently not filed for record.

Q. You have a photostat there in your hand, Mr. Sadler? A. Yes, sir.

Q. Did you examine the document I handed you? A. Yes, sir.

Q. That purports to be an original, a crop and chattel mortgage with the word "crop" stricken out, is that right? A. Yes, sir. [434]

Q. Do you know anything about the execution of the original of that document? A. Yes, sir.

Q. That is money that was owing for the ranch, operations of the ranch, by the parties named?

A. Yes, sir.

Mr. Cooke: We offer it in evidence.

Mr. Thompson: No objection, your Honor.

The Court: It may be admitted as Defendant's Exhibit "C-1."

Mr. Cooke: Exhibit "C-1" is chattel mortgage by Edgar A. Sadler, also known as Edgar Sadler, Ethel Sadler, his wife, Reinhold Sadler and Verna Sadler, his wife, of certain personal property located on the property, 3120 acres described in some other document, presumably the Diamond Valley Ranch, although that is not stated in this document, and the property mortgaged is 37 one-

(Testimony of Mr. Edgar Sadler.)

year-old Hereford steers, 50 one-year-old Hereford heifers, 53 two-year-old Hereford heifers, 340 cows, Hereford, 12 cows, Hereford, over 8 years, 58 Hereford calves, 11 Hereford bulls, grade, 74 Hereford weaner heifers, 77 Hereford weaner steers, 710 total, all branded quarter circle on the right hip and/or T E on the left hip, and including all right, title and interest in and to the range, range allotments, range rights, various permits, etc., and then follows quite a number of items of buildings, corals and the like. The mortgage being given to secure promissory note dated May 1, 1928, for the principal sum of \$13,000, bearing interest at the rate of 5% per annum, and it is also given to secure payment of a separate note dated April 15, 1937, for the principal sum of \$4200, with interest at the rate of 5% per annum, that note being described in the deed of trust given to the Land Commissioner, dated April 15, 1937, and referring to the records and signed Edgar A. Sadler, Ethel Sadler, Reinhold Sadler and Verna Sadler by acknowledgement before a notary and filed for record at the request of blank, 8-9-1938, and recorded in book blank and then written in the blank line is the word, "Entry 22609."

Q. The document you handed me just now, did you examine that? A. Yes, sir.

Q. And that is certified copy of mortgage, chattel and crops, executed by Edgar Sadler, Ethel Sadler, Reinhold Sadler and Verna Sadler?

A. Yes, sir.

(Testimony of Mr. Edgar Sadler.)

Q. You recall the execution of that document, do you? A. Yes, sir.

Q. Signing it yourself and the other parties?

A. Yes, sir.

Mr. Cooke: We offer it in evidence. It is a certified copy.

Mr. Thompson: I have no objection, your Honor.

The Court: That is Exhibit "D-1," admitted in evidence. [436]

Mr. Cooke: Exhibit "D-1" is a certified copy of a mortgage of chattels and crops from Edgar A. Sadler and Ethel Sadler, his wife, and Reinhold Sadler and Verna Sadler, his wife, to the Bank of America Credit Corporation, dated January 15, 1941, and is made as security for promissory notes aggregating \$11,480.80, with interest at 4½%, payable on demand, and is filed at the request of C. H. Knox on January 30, 1941.

Q. Can you make out from that fine print what the original of that document was?

A. Yes, sir.

Q. And do you recall about the execution of it?

A. Yes, sir.

Q. And the occasion when it was signed?

A. Yes, sir.

Q. And delivered? A. Yes, sir.

Q. That purports to be signed by yourself, Ethel Sadler, your wife, and Alfred Sadler and Kathryn Sadler, his wife? A. Yes, sir.

(Testimony of Mr. Edgar Sadler.)

Mr. Cooke: We offer the photostat in evidence. It is very fine print, but it was offered to us in that form and we can't do any better with it.

Mr. Thompson: No objection, your Honor. [437]

The Court: It may be admitted as Defendant's Exhibit "E-1."

Mr. Cooke: Defendant's Exhibit "E-1" is designated as Federal Farm Loan Amortization deed of trust, dated May 1, 1928, signed by Edgar Sadler and Ethel Sadler, his wife, and Alfred Sadler and Kathryn Sadler, his wife, as mortgagors and Willard D. Ellis, A. M. Morten and Sims Ely as trustee and Federal Land Bank of Berkeley, a corporation, as beneficiary, and it appears to be executed and to describe the land known as the Diamond Valley Ranch, approximately 3120 acres, including the Big Shipley Springs, and all dams and ditches and waterways and so on, and is given as security for the principal sum of promissory note dated May 1, 1928, in the sum of \$13,000, with interest at the rate of 5%, and principal payable in 72 consecutive semi-annual installments, and it is acknowledged in the regular form by the mortgagors and recorded at the request of Edgar Sadler on October 22, 1928, in Book F of Mortgages at page 400, Eureka County Records.

We offer in evidence certified copy of deed from Reinhold Sadler and Louisa Sadler to the Diamond Valley Live Stock and Land Company, dated April 25, 1885, and recorded May 26, 1886, in Libre 11 of

(Testimony of Mr. Edgar Sadler.)

Deeds, page 504, records of Eureka County, Nevada. It is attached to the notice of motion to amend paragraph 2 of our answer.

Mr. Thompson: No objection, your Honor.

The Court: That will be admitted in evidence as Defendant's Exhibit "F-1." [438]

DEFENDANT'S EXHIBIT F-1

Reinhold Sadler, Louisa Sadler to Diamond Valley Live Stock and Land Company.

This indenture, made the Twenty-fifth day of May in the Year of our Lord One Thousand eight hundred and Eighty five. Between Reinhold Sadler and Louisa Sadler his wife of the Town and County of Eureka, State of Nevada, the parties of the first part and the "Diamond Valley Live Stock and Land Company" a corporation duly organized and existing under the laws of the State of Nevada, the party of the Second part.

Witnesseth:

That the said parties of the first part for and in consideration of the sum of Fifteen Thousand (\$15,000), Dollars gold coin of the United States of America, to them in hand paid by the said party of the second part, the receipt whereof is hereby acknowledged do by these presents grant, bargain, sell and convey unto the said party of the second part and to its successors and assigns all of their right title and interest, both in law and equity in

(Testimony of Mr. Edgar Sadler.)

and to the following described property situated in the said County of Eureka and State of Nevada, described as follows, to-wit, First the South West Quarter of the South West Quarter of Section Eighteen and the North Half of the North West Quarter and the south west quarter of the South West Quarter of Section Nineteen, all in Township Twenty four North, Range Fifty-three East. Mount Diablo Base and Meridian, containing One Hundred and Sixty acres. Second the East half of the South East Quarter of Section Twenty three and the North West Quarter and the South East Quarter of the South West Quarter of Section Twenty Four also the North Half of Section Twenty four all in Township Twenty four North Range Fifty two East, Mount Diablo Base and Meridian containing Four Hundred and Eighty acres. Third the East of the North West Quarter. The East Half of the South West Quarter. The West Half of the North East Quarter. The West Half of the South East Quarter, and Lot Four, all in Section Nineteen, Township, Twenty-Four North Range Fifty-three East containing Three Hundred and Fifty Six and $17/100$ acres, and being Desert Land Entry No. 206. Fourth. The North East Quarter of the North West Quarter and the West Half and South East Quarter of the North East Quarter of Section Twenty-five, Township Twenty four North Range Fifty Two East Mount Diablo Base and Meridian containing One Hundred and Sixty acres. Fifth. The South Half of the South

(Testimony of Mr. Edgar Sadler.)

Half of Section Twenty four and the North East Quarter of the North East Quarter of Section Twenty five all in Township Twenty Four North Range Fifty two East also North West Quarter of the North West Quarter and the South West Quarter of the North West Quarter of Section Thirty Township Twenty four North Range Fifty Three East, all Mount Diablo Base and Meridian containing Two Hundred and seventy two and $61/100$ acres. Sixth. The South East Quarter of the North West Quarter and the South Half of the North East Quarter of Section Thirty, also the South West Quarter of the North West Quarter of Section Twenty Nine all in Township Twenty four North Range Fifty three East Mount Diablo Base and Meridian containing One Hundred and Sixty acres. Seventh. Lot Four of Section Eighteen and lots, one, two and three of Section Nineteen all in Township Twenty four North Range Fifty three East, also the South East Quarter of the South East Quarter of Section 13 and the North East Quarter of Section Twenty four and the East half of the North West Quarter. The North Half of the South East Quarter and the North Half of the South West Quarter of Section Twenty four and the North East Quarter of the south East Quarter of Section Twenty three all in Township Twenty four North, Range Fifty-Two East, all Mount Diablo Base and Meridian containing Six Hundred and twenty three and $32/100$ acres. Eight. The South East Quarter

(Testimony of Mr. Edgar Sadler.)

of the South West Quarter and the South Half of the South East quarter of Section Eighteen, also the South West Quarter of the South West Quarter of Section Seventeen Township Twenty Four North, Range Fifty three East Mount Diablo Base and Meridian containing One hundred and sixty acres. Together with all possessory right title and interest to all lands claimed, owned or possessed by the said parties of the first part in Diamond Valley, Eureka County Nevada, and also the Stock Ranges incident thereto. Together with all water rights, water ditches, dams, flumes and reservoir incident or appurtenant to said lands and usually had and used thereon for irrigating purposes. Together with all and singular tenements hereditaments, and appurtenances thereunto belonging, or in anywise appertaining, and the reversion and reversions, remainder and remainders, rents, issues and profits thereof. To have and to hold all and singular the said premises, together with the appurtenances, unto the said party of the second part its successors and assigns forever.

In Witness Whereof the said parties of the first part have hereunto set their hands and seals the day and year first above written.

REINHOLD SADLER [Seal]

LOUISA SADLER [Seal]

(Testimony of Mr. Edgar Sadler.)

State of Nevada,
County of Eureka—ss.

On this 25th day of May A. D. 1885 before me Benj. C. Levy a Notary Public in and for said County personally appeared Reinhold Sadler and Louis Sadler his wife personally known to me to be the individuals described in and who executed the annexed instrument as parties thereto and acknowledged to me that they executed the same freely and voluntarily, and for the uses and purposes therein mentioned. And the said Louis Sadler wife of the said Reinhold Sadler having been by me first made acquainted with the contents of said instrument, acknowledged to me upon examination apart from and without the hearing of her husband that she executed the same freely and voluntarily without fear or compulsion or under influence of her husband and that she did not wish to retract the execution of the same.

In Witness whereof I have herewith set my hand affixed my official seal the day and year first above written.

[Seal]

BENJ. C. LEVY

Notary Public in and for Eureka County, Nevada.

Recorded May 26th, 1886 at 45 minutes past 12 M. in Liber 11 of Deeds, Page 504, Records of Eureka County, Nevada.

W. S. BEARD,
Recorder.

(Testimony of Mr. Edgar Sadler.)

State of Nevada,
County of Eureka—ss.

I, Peter Merialdo, County Recorder and ex-officio Auditor, in and for said County, do hereby certify that the above and foregoing in a true and correct copy of the original matter thereof, Deed from Reinhold Sadler, Louisa Sadler to Diamond Valley Live Stock and Land Company which now remains of Record in my office at Eureka, County and State aforesaid.

In Witness Whereof, I have hereunto set my hand and affixed my Official Seal, at my office in the Town of Eureka, this 11th day of September A. D. 1946.

[Seal] /s/ PETER MERIALDO,
County Recorder.

By
Deputy Recorder.

[Endorsed]: No. 371. U. S. Dist. Court, Nevada. Deft's Exhibit No. 1 on Motion to Amend Answer. Filed Sept. 17, 1946. Amos P. Dickey, Clerk. By O. F. Pratt, Deputy. No. 371. U. S. Dist. Court, District of Nevada. Deft's. Exhibit No. F-1. Filed Oct. 21, 1946. Amos P. Dickey, Clerk. By O. F. Pratt, Deputy.

Mr. Cooke: Defendant's Exhibit "F-1" is a certified copy of a deed dated May 25, 1885, executed by Heinhold Sadler and Louisa Sadler, his wife, to

(Testimony of Mr. Edgar Sadler.)

the Diamond Valley Livestock & Land Company, a corporation, for consideration of \$15,000, and contains detailed description of lands conveyed and refers to the land in Diamond Valley, Eureka County. We ask that the document designated as Exhibit 1 on the motion to amend the answer, filed September 26, 1946, be withdrawn from the pleading, so it may be offered in evidence as an exhibit.

The Court: There is no objection to that?

Mr. Thompson: No objection.

The Court: Motion will be granted.

Mr. Cooke: That includes flumes and reservoirs and water rights, range rights, and is recorded on May 26, 1886, Libre 11 of Deeds, page 504, Records of Eureka County.

The Court: That was admitted as Exhibit F-1.

Q. I handed you what appears to be a photostat of a chattel mortgage made by Edgar A. Sadler, Ethel Sadler, his wife, and Reinhold Sadler and Verna Sadler on the 13th day of July, 1938. Do you remember anything about the execution of that document, Mr. Sadler? A. Yes sir.

Mr. Thompson: We already have one. C-1 is dated July 13, 1938.

Mr. Cooke: Well, I wasn't too sure about this one. No [439] use putting both of them in. I think we already have it, Exhibit C-1.

Q. The document that I handed you and which you just examined purports to be a copy of a chattel mortgage made by Edgar Sadler and Ethel Sadler, Reinhold Sadler and Verna Sadler, to the Regional

(Testimony of Mr. Edgar Sadler.)

Agricultural Credit Corporation, in the principal sum of \$12,374.25. Do you remember anything about executing and delivering that document?

A. Yes sir.

Q. You signed it and your wife signed it and Reinhold Sadler and his wife signed?

A. Yes sir.

Mr. Cooke: We offer the document in evidence.

Mr. Thompson: No objection, your Honor.

The Court: It may be admitted as Defendant's Exhibit "G-1."

Mr. Cooke: Defendant's Exhibit G-1 is copy of chattel mortgage made by Edgar Sadler and his wife and Reinhold Sadler and Verna Sadler, his wife, in consideration of \$12,374.25, to the Regional Agricultural Credit Corporation of Salt Lake City, mortgagee. It mortgages the following described livestock. (Reads description). This mortgage is given as additional and supplemental security and is not intended to supersede or displace certain chattel mortgages executed by Edgar Sadler, Ethel Sadler, Reinhold Sadler and Verna Sadler to the mortgagees herein, dated January 13, 1934, January 19, 1936, and March 2, 1937, [440] and includes all the increase, and more or less the conventional mortgage covenants. The promissory note mentioned in the mortgage is for the principal sum of \$13,544 and it is recited that the chattel mortgage is made to secure that note, and so on. Then it is provided for a number of installments and for further loans and advances being optional with the

(Testimony of Mr. Edgar Sadler.)

mortgagee, but in any event not to exceed the aggregate of 50 thousand dollars. Then follows provisions in regard to the operation and the care of the stock, and it is filed for record on February 5, 1938, file No. 22358.

Q. I just handed you a document, Mr. Sadler, designated mortgage of chattels, livestock form. Do you remember anything about the execution of that document? A. Yes sir.

Q. It appears to be made by yourself and your wife and Reinhold Sadler and Verna Sadler, his wife, on January 7, 1938. This is certified as a true copy of the original. You recall about the original, do you? A. Yes.

Mr. Cooke: We offer the document in evidence.

Mr. Thompson: No objection, your Honor.

The Court: It may be admitted as Defendant's Exhibit "H-1."

Mr. Cooke: Defendant's Exhibit "H-1", dated January 7, 1938, made by Edgar A. Sadler, Ethel Sadler, Reinhold Sadler and Verna Sadler, purports to be a chattel mortgage as security for [441] the principal sum of \$18,280. It is acknowledged in the regular form and it is filed, file No. 22455, at the request of C. H. Knox, May 31, 1938, and it covers the following: (Reads description of livestock).

Q. The document that I show you, that you just now handed me, you have examined that, have you?

A. Yes sir.

(Testimony of Mr. Edgar Sadler.)

Q. It appears to be a copy of a chattel mortgage dated March 2, 1937, signed by you and your wife and Reinhold Sadler and his wife, Verna Sadler. Do you remember about the execution of that document? A. Yes sir.

Q. And the transaction of what it was for, and so on? A. Yes sir.

Mr. Cooke: We offer the document in evidence.

Mr. Thompson: No objection, your Honor.

The Court: It may be admitted as Defendant's Exhibit "I-1."

Mr. Cooke: Defendant's Exhibit "I-1" is chattel mortgage from Edgar Sadler, Ethel Sadler, Reinhold Sadler and Verna Sadler, and is dated, as already stated, March 2, 1937, is a chattel mortgage to secure, at least the introductory part recites consideration of \$10,891.24, but the notes sets out, and in which it is stated, that it is to secure note in the sum of \$13,544, the note being dated January 19, 1936, the mortgagee being the Regional Agricultural Credit Corporation of Salt Lake City and the livestock [442] being mortgaged is described as follows: (Reads description of livestock). The document was filed for record on March 24, 1937, file No. 21932.

The Court: We will take our recess until 2:00 o'clock this afternoon.

(Recess taken at 12:00 noon.)

Afternoon Session, October 21, 1946, 2:00 p.m.

MR. EDGAR SADLER

resumed the stand on further

Direct Examination

By Mr. Cooke:

Q. This morning, Mr. Sadler, you identified letter that Alfred had written to you, dated April 15, 1928. It is marked Defendant's Exhibit "Q." In that letter Alfred makes certain statements in regard to expenses, the ranch hadn't been paying and the amount of hay raised and cut each year. Do you remember about that letter? I will show it to you. A. Yes, I remember that.

Q. Where was Alfred when that letter was written? A. I guess he was in Reno here.

Q. Do you notice the envelope attached to the letter? A. Reno, yes.

Q. Postmarked Reno? A. Yes.

Q. Now about how often, from March 2, 1918, down to April 13, 1928, [443] was Alfred on the ranch?

A. I don't think he was out there more than a couple of times.

Q. A couple of times during that ten-year period? A. Yes.

Q. That is your best recollection, he was out there a couple of times? A. Yes.

Q. And about how long would he stay on those occasions?

A. Oh, two or three days, something like that, a week.

(Testimony of Edgar Sadler.)

Q. On those occasions how would he spend his time?

A. Oh well, he would go out hunting, run around the ranch, and that's about all.

Q. And after April 13, 1928, down to the time he died in 1944, what is the fact as to about how often he visited the ranch?

A. Well, I think it was only a couple of times. I don't recall how many times he was there. It wasn't very many times he came up there.

Q. Now for instance we have Defendant's Exhibit "R," which is a mortgage made by yourself and wife and Alfred Sadler and his wife to the First National Bank of Winnemucca and Farmers & Merchants National Bank of Eureka, to secure the principal sum of \$5,000. You told us about that in your testimony this morning?

A. Yes sir.

Q. Do you remember what the circumstances or conditions at the ranch were that made it necessary to make that mortgage and get [444] that loan?

A. Yes sir.

Q. What were they?

A. Well, the Washoe County Bank wanted their money and I went to these people and got a loan from them.

Q. You were under a mortgage to the Washoe County Bank at that time?

A. Yes sir.

Q. Do you remember the amount of the mortgage to the Washoe County Bank at that time?

A. I don't exactly, no.

(Testimony of Edgar Sadler.)

Q. Are you able to say whether or not it was the same mortgage that was given on March 2, 1918, that was still running?

A. Yes, the same mortgage, but there was quite a bit of it paid off.

Q. But the Washoe County Bank wanted their money at that time? A. Yes.

Q. And it became necessary for you to do whatever you could do to raise money?

A. Yes sir.

Q. As to any threats of foreclosure or the like, was there anything of that sort?

A. No, I don't think so.

Q. Not in connection with that loan?

A. No. [445]

Q. What did you have to do towards getting money from these two banks?

A. Well, I went to talk to the cashier up there, Mr. Sheehan.

Q. Jerry Sheehan? A. Yes.

Q. Was anybody with you? A. No.

Q. You handled the thing yourself, alone?

A. Yes sir.

Q. And you arranged for the loan or got the assurance from them that you could have the loan?

A. Yes sir.

Q. Who caused the preparation of the document itself, who attended to that?

A. The bank.

Q. They filled it out? A. Yes.

(Testimony of Edgar Sadler.)

Q. And how did you contact Alfred Sadler to get his signature?

A. Sent it down here to sign.

The Court: What is the number of that exhibit, Mr. Cooke?

Mr. Cooke: Exhibit "R."

Q. And would Alfred then send it to you or to the bank?

A. Sent it to me and I sent it to the bank.

Q. Did you and your wife sign first and then Alfred Sadler signed afterward, was that the way?

A. Yes sir, we signed first.

Q. This mortgage was for ten thousand and the mortgage to the Washoe County Bank was for \$16,500 and then you said some payments had been made on that? A. Oh yes sir.

Q. Do you remember whether or not the amount, balance due on the Washoe County Bank mortgage was exactly ten thousand dollars or just how that was at the time this mortgage, Exhibit "R," was made?

A. Well, I couldn't state the exact amount right now, but whatever it was——

Q. I think I stated a moment ago this was for five thousand, but that is an error. There are two notes for five thousand each and the total principal is ten thousand. Well, you don't recall just how much of this ten thousand was necessary to wipe off the Washoe County Bank mortgage?

A. No, I don't.

(Testimony of Edgar Sadler.)

Q. You have no recollection, as I take it, as to the amount or the approximate amount? You can't give us any idea as to the amount due on the Washoe County Bank mortgage at that time?

A. Well, I think it was close to eight thousand dollars.

Q. How were you notified to pay that off, that the bank wanted the money, for you to pay it off, by letter or how were you notified?

A. By letter.

Q. You haven't that letter in your possession now? A. No. [447]

Q. If it is your best recollection that there was eight thousand dollars due to the Washoe County Bank on the mortgage, what, if you can state, was done with the other two thousand borrowed on this mortgage, Exhibit "R"?

A. Well, that would be used for the expenses on the ranch.

Q. Would you borrow any more than actually necessary for expenses?

A. No sir; because money was awfully hard to get.

Q. This is February 17, 1927. Do you remember anything about that year as to whether the winter there was unusually severe or not?

A. What winter was it?

Q. The year is February 17, 1927, is the date of the mortgage. Now I am asking you if you remember anything about that year, whether the winter was unusually severe on cattle, etc.?

A. It was a pretty hard winter.

(Testimony of Edgar Sadler.)

Q. All of your winters out there are pretty hard?
A. Most of them.

Q. How long do you have to feed?

A. From about the first of December to the first of April and one year we started in on the 13th of November and wound up in May some time.

Q. Is there such a thing as the stock running out all winter out there?

A. No, not our stock.

Q. Do they get any feed except the hay that you feed?
A. No sir. [448]

Q. And the average that would be some time in December, I think you said, down to what date in the spring?
A. First of April.

Q. And then they are turned out on the range?

A. Yes sir.

Q. Do you feed any of the cattle between the time you turn them out in the spring and the fall of the year when the winter sets in again? Do you have to feed during the summer at all?

A. No.

Q. They are out?
A. They are out.

Q. How much range did you have, pertaining to the Sadler ranch, the Diamond Valley Ranch?

A. You mean how many acres?

Q. Yes.

A. I couldn't say. They are run on public domain there for a radius of 50 miles.

Q. Under the Taylor Grazing Act?

A. Well, we are now.

(Testimony of Edgar Sadler.)

Q. You weren't at that time?

A. No sir. There was no Taylor Grazing Act then.

Q. You are right, my mistake. You say the cattle run on a tract of grazing country there about 50 miles in diameter?

A. Well, 50 miles all around.

Q. How many acres per head is required on the kind of grazing [449] land that you have out there?

A. On the outside?

Q. Yes, where you run these cattle. About how many acres would you figure necessary for each creature?

A. I couldn't tell you that.

Q. Did you ever figure on that?

A. No, never figured on that.

Q. As a livestock man, do you know what is supposed to be the general allowance, the number of acres, for one cow or one animal? It depends, of course, upon the kind of feed.

A. The kind of feed, yes.

Q. But I am talking about general kind of feed in that section of Nevada. You don't know?

A. No.

Q. You don't know how many acres you figure per cow?

A. No.

Q. The range there is substantially the same as the range in that general country, isn't that true?

A. Yes.

Q. How is the water in places? Do the cattle have to travel far?

A. Fair.

(Testimony of Edgar Sadler.)

Q. How many springs or watering places are there on this tract that you told us they graze a radius of 50 miles that you mentioned?

A. Well, there are three spings. [450]

Q. How far would the cattle ordinarily have to travel to get to water from where they would be grazing?

A. Well, some cattle would have to go six or eight or ten miles, but there are a few windmills in there that were put in there after that.

Q. They were put in about when, Mr. Sadler?

A. I don't know.

Q. They were put in by the government, were they not? A. Yes, by the government.

Q. Have they been operating ever since?

A. Yes sir.

Q. So that makes it more convenient for the cattle to get water, they don't have to travel so far?

A. Yes.

Q. Now calling your attention to the mortgage made by you, that is Defendant's Exhibit "S," dated March 28, 1929, between Edgar Sadler, a resident of Roman, County of Eureka, to Merchants & Farmers National Bank of Eureka, do you remember seeing that this morning and testifying about it? A. Yes sir.

Q. In the principal sum of \$2700. This was given about a year after the last mortgage, which is Exhibit "R," but given by you alone. Nobody else signed that mortgage. Do you remember anything about the occasion or circumstances or why that mortgage was made?

(Testimony of Edgar Sadler.)

A. Well, I needed the money and I went to the bank and got some [451] money from them.

Q. Was it the same practice also in regard to this document as you told us the other one, that they had it prepared and you signed on the dotted line, so to speak? A. Yes sir.

Q. I note that only you signed this mortgage. Do you know anything about the circumstances as to why the others did not join with you?

Mr. Thompson: Objected to, calls for conclusion of the witness, your Honor.

The Court: I do not think it is a conclusion. Objection will be overruled. You may answer the question.

(Question read.)

A. Well, I was just asked to sign myself and they didn't want anything else.

Q. This purports on its face to cover 250 head of cattle branded the interlocking half circle. Those were the cattle that were owned by you alone?

A. Yes sir.

Q. Reinhold Sadler, your son, hadn't come into the operation of the ranch or had any cattle as early as March 28, 1929?

A. Yes, he had cattle.

Q. But they, of course, were not mixed up with these? A. No.

Q. The same brand? [452]

A. No, not the same brand.

Q. Can you tell the court anything about what

(Testimony of Edgar Sadler.)

this money was used for? The loan is \$2700. Do you know why it was necessary for you to get that money?

A. Well. I had to pay expenses on the ranch, taxes.

Q. Yes, but was there any special thing about it that you recall, making it necessary for you to make a mortgage on the cattle? Do you recall anything special about it at all?

A. No, I don't think so.

Q. Well, where you borrow more or less odd amount like this, instead of 2500 or 3000 or the like, does that refresh your recollection in any way as to what you used that money for, or why you got it for that particular amount, \$2700?

A. No.

Q. Now with reference to the mortgage made August 4, 1930, between Edgar Sadler and Ethel Sadler and Reinhold Sadler and the Farmers & Merchants National Bank at Eureka, Defendant's Exhibit "T," that is in the principal sum of ten thousand dollars. Can you tell the court anything about what the circumstances were that caused you to make that mortgage?

A. Well, between us we were going to buy some more cattle.

Q. "Between us," what do you mean?

A. My wife and my son Reinhold and myself.

Q. Did you buy some more cattle with the money that you borrowed? [453]

A. Part of it, yes sir.

(Testimony of Edgar Sadler.)

Q. Do you remember how many you bought?

A. Yes sir, 100 head of cows and about 40 calves.

Q. From whom did you buy those cattle?

A. From Mr. Mead at Battle Mountain.

Q. And when you bought them you would take them down to this ranch and graze them there, would you?

A. Yes sir.

Q. In those cases would you rebrand them?

A. Yes sir.

Q. Brand them what?

A. Brand them with the two half circles.

Q. Do you remember how much of that ten thousand dollars was required to buy those 140 head of stock?

A. Well, we owed the bank a little and then the bank furnished the rest of the money to buy the cattle.

Q. You were already indebted to the bank?

A. Yes sir.

Q. And then you needed a certain amount of money for these cattle?

A. Yes sir.

Q. And the amount of the indebtedness, plus the amount that you had to pay for the cattle, did that absorb all of the ten thousand?

A. Yes sir.

Q. This mortgage is a mortgage on 600 head of cattle, some with [454] quarter circle brand of yours and some with the T E brand. Did that include any of the cattle belonging to Mrs. Sadler or that she bought?

A. It did sir.

(Testimony of Edgar Sadler.)

Q. You heard her testimony a few days ago?

A. She put her money up in it too.

Q. Do you know that circumstance of her getting some 23 or 24 hundred dollars from her mother's estate?

A. Yes sir.

Q. She put it in the cattle?

A. She put it in the cattle that we bought.

Q. That is in this same deal that you told us about?

A. Yes sir.

Q. Have you any knowledge upon which you could give us any sort of an estimate as to the number of cattle that were branded with the quarter circle brand of yours and the number branded with the TE brand that were covered by this mortgage? Do you know about how many cattle Reinhold had?

A. I couldn't exactly say how many he had.

Q. Did this mortgage include all of the quarter circle belonging to you?

A. Yes sir.

Q. And your wife's and this money that you have told us about?

A. Yes sir. [455]

Q. That is 600 head at that time?

A. That is with Reinhold's cattle too.

Q. I think I asked you this, but do you recall anything about the amount that was still owing the bank at the time you gave this mortgage you have just been talking about?

A. No, I couldn't recall that off-hand.

Q. Do you recall what particular mortgage was outstanding at that time, to what bank or institution?

A. The Farmers & Merchants Bank at Eureka.

(Testimony of Edgar Sadler.)

Q. The same bank that you got the new loan from? A. Yes.

Q. Now in regard to Defendant's Exhibit "U," that is a mortgage from Edgar Sadler, Ethel Sadler, Reinhold Sadler and Verna Sadler to the Regional Agricultural Credit Corporation, and it includes some 494 head of steers, heifers, cows, calves and bulls and some hay, etc., and it is in the principal sum of nine thousand dollars and it is dated the 27th day of December, 1932. Do you remember about that one? A. Yes sir.

Q. What do you remember about it, in regard to why it was made and why it was necessary to make it?

A. Well, the bank wanted their money.

Q. What bank are you talking about?

A. Farmers & Merchants Bank.

Q. That is the bank of Eureka? [456]

A. Yes. And we got that nine thousand dollars from the Regional bank, the RAC there as you call it, and then there was a balance of 40 odd hundred left which the bank held every year.

Q. See if I understand you. This mortgage that you gave to the RAC in the sum of nine thousand dollars, did that pay off the money that was owing to the Farmers & Merchants Bank at Eureka?

A. No sir.

Q. You are still indebted there?

A. Still indebted there. That only paid part of it.

Q. You were not able then, I take it, to get a cancellation, a satisfaction?

A. No not a cancellation.

(Testimony of Edgar Sadler.)

Q. This nine thousand dollars that you borrowed from the RAC, how much of that was used on the then existing mortgage to the Farmers & Merchants Bank at Eureka? A. All of it.

Q. And do I understand you then to say that there was a balance due to the Farmers & Merchants Bank of 42 or 43 hundred dollars?

A. Something like that.

Q. Did you make any effort to get the total amount, or was this all you could get?

A. I tried to get it all but the RAC wouldn't give it to us. It was an awful hard time to get what we did get. The banks were all closed and you couldn't get any money from anybody. It happened that I called the other people and got the loan of the [457] RAC. If we hadn't got that loan we would have been sunk, that's all. They would have foreclosed and taken the ranch.

Q. That is the Farmers & Merchants Bank?

A. Yes sir.

Q. Was that bank closed along with all the other banks at that time?

A. No sir, they never closed. They stayed open.

Q. But you were not able to get any further accommodations?

A. No, couldn't get a dollar.

Q. What is the average hay on that ranch?

A. Well different years, is sometimes 400, 500, 600.

(Testimony of Edgar Sadler.)

Q. Some of these mortgages refer to larger amounts. For instance the one I hold in my hand, which I have been interrogating you about, Exhibit "U," refers to 900 tons of hay. Is that some of the previous year's hay or how does that come up?

A. Well, some of the previous year's hay and some of the hay that we cut off of our lease, Mr. Eccles'; that is quite a hay country down there.

Q. How much hay do you get off the Eccles' land, approximately?

A. It varies. Some years a good crop, some years very little.

Q. Expressed in tons, about how much do you get on the average?

A. Oh, maybe about 300 ton, somewhere along there.

Q. And wherever we find in these mortgages hay is in the mortgage, it includes the hay grown on the so-called Diamond Valley Ranch and also hay grown on the Eccles Ranch? [458]

A. Yes sir, grown altogether.

Q. Referring to Defendant's Exhibit "W," which is a mortgage made to the Land and Bank Commissioner, dated September 28, 1936, by Edgar Sadler and Ethel Sadler, his wife, and Alfred Sadler and Kathryn Sadler, in the principal sum of \$4300, well, I was going to ask you if that mortgage, being in the sum of \$4300, had anything to do with the balance that you said was owing to the Farmers & Merchants Bank at Eureka, but I see

(Testimony of Edgar Sadler.)

it is four years later. Presumably hasn't any connection.

A. That is that \$4300?

Q. Yes.

A. That is the balance we owed the Farmers & Merchants Bank and they wanted to foreclose me out on that mortgage, so I rustled around and had a hard time to get that Commissioner's loan.

Q. Well, the mortgage that you gave the RACC dated, December 27, 1932, for nine thousand dollars, that was the one that you told us left 42 or 43 hundred dollars owing?

A. Yes.

Q. Is it a fact then that that 43 hundred remained owing at the bank?

A. Yes sir.

Q. From that time that balance remained owing, from that time down to the 20th of September, 1936?

A. Yes sir. [459]

Q. And then is when you gave this mortgage I just mentioned, this Exhibit "W"?

A. Yes, sir.

Q. For \$4300?

A. Yes, sir.

Q. Did you get any fresh money at all for the making of that mortgage for \$4300?

A. No, sir.

Q. That took up the old balance?

A. That took up the old balance.

Q. At that time do you recall how many, if any, mortgages were already on the property?

A. On the cattle you mean?

Q. Well, this is a deed of trust for real estate mortgage, this one.

(Testimony of Edgar Sadler.)

A. Well, that was RACC mortgage on the cattle.

Q. Now when you say RACC mortgage, I note this document here, Exhibit "W," recites that this mortgage is subject to an existing Federal Loan Bank encumbrance. Do you remember what existing Federal Land Bank encumbrance that referred to?

A. No.

Q. You say anyway there was a——

A. Oh, yes, the Federal Land Bank had the mortgage on the ranch.

Q. Before you gave this 43 hundred?

A. Oh, yes. [460]

Q. This \$4300 mortgage is also on the ranch?

A. No, it is on the cattle, I think.

Q. Well, look at it.

A. I thought it was on the cattle. That's right, it is on the ranch. They wanted a mortgage on the cattle too.

Q. How would they make these demands upon you for payment or security for the unpaid balance, by letter or oral communications?

A. Well, when I go to town I would always go to the bank and he told me that they wanted their money, wanted to get straightened out.

Q. Did you seek to get extensions?

A. I tried to but they wouldn't extend it. They wanted their money. Other parties out there were in the same boat I was.

Q. The stockmen out there were none of them particularly prosperous, is that what you mean?

A. Yes, they were all about in the same fix I was.

(Testimony of Edgar Sadler.)

The Court: It might be well for us to take our adjournment now and the record will show that we adjourn at this time in respect to the memory of Mr. Stoddard. Court will be in recess until tomorrow morning at 10:00 o'clock.

(Court adjourned at 2:45 p.m.) [461]

Tuesday, October 22, 1946, 10:45 A.M.

Appearances same as at previous sessions.

EDGAR SADLER

resumed the witness stand on further

Direct Examination

By Mr. Cooke:

Q. Mr. Sadler, yesterday before the recess I was asking you in regard to how these various mortgages were renewed and under what circumstances and what demands and the nature of the demands that were made by the mortgagee banks and other institutions that carried them. I show you what purports to be a letter from the Federal Land Bank at Berkeley, dated May 3, 1945, signed W. H. Bridges, Nevada Loan Division, and also letter dated May 31, 1933, Federal Land Bank of Berkeley, signed M. L. Jones, Treasury Department, and also letter from the Reno Branch of the Regional Agricultural Credit Corporation, Salt Lake City, Utah, dated June 2, 1933, signed C. A. Hefferman, Assistant, and also letter on the letterhead of the Farmers & Merchants National Bank

(Testimony of Edgar Sadler.)

of Eureka, dated October 9, 1935, signed C. L. Tobin, Cashier, and ask you to look those over and state whether or not those are some of the letters of demand that you received from these various mortgagee concerns in response to which you gave the mortgages and renewal mortgages, etc., that you have already testified to? A. Yes, sir.

Q. Did you receive other letters similar, or are these the only ones?

A. No, there are other letters, I think. [462]

Q. Of the same general purport? A. Yes.

Mr. Cooke: We offer these in evidence as samples of the demands that were made upon Mr. Sadler during the time covered by the letters.

Mr. Thompson: No objection, your Honor.

The Court: The exhibit may be admitted as Defendant's Exhibit "J-1."

Mr. Cooke: The gist of these, your Honor, is apparent from the question. Each of them is demand for payment of the loans, expressing the hope that they would be able to send the balance of the money due, and so on, stating the conditions of the renewal if it can be had. I think it is a fair statement that all of them represent the attitude on the part of the writers, being the mortgagee concerns, to get their money, or if they can't get their money, that there be a new mortgage given. It is the general type of letters that are received under those circumstances. One is that they couldn't carry the loan any longer under the banking laws and asks that he arrange with some other loaning concern

(Testimony of Edgar Sadler.)

to get the money if he can, and so on. I think that is about the gist of it, your Honor.

Q. Referring to Defendant's Exhibit "X," which is a deed of trust signed by yourself and your wife and Alfred Sadler and Kathryn Sadler and Walter C. Dean and Frnk R. Hodgson and H. W. Browning as trustees and the Land Commissioner as beneficiary, [463] and that was made on the 15th of April, 1937, for the principal sum of \$4200, do you remember about that particular instrument and transaction, Mr. Sadler? A. Yes, sir.

Q. What were the circumstances under which you negotiated that particular mortgage? Were you already indebted or why was it necessary for you to refinance, or just what was it?

A. Well, we owed the Farmers & Merchants Bank \$4200. The bank wanted their money and I proceeded to get this loan from the Federal Land Bank, giving the cattle as security on the second mortgage. It took quite a while to get this loan. We paid the bank up in full.

Q. This document reads, "Subject to an existing Federal Land Bank encumbrance."

A. Yes sir.

Q. You had already a loan? A. Yes, sir.

Q. This was really a second mortgage?

A. Second mortgage.

Q. And you got the \$4200 and satisfied the Farmers & Merchants Bank loan?

A. Yes, sir.

(Testimony of Edgar Sadler.)

Q. Now this document I just asked you about is deed of trust I have already described and that is dated April 15, 1937. Yesterday I showed you Exhibit "W" and I understood you to say that Exhibit "W" was given in connection with this same 42 or 43 hundred that you owed the Farmers & Merchants Bank. Do you remember that, Mr. Sadler? Did you give two instruments covering any such obligation to the Farmers & Merchants National Bank? A. No, sir.

Q. I was asking you about Defendant's Exhibit "W," which is a deed of trust from Edgar Sadler and others to these same parties, W. C. Dean, Frank R. Hodgson, H. W. Browning for the Land Commissioner, that is dated September 28, 1936, and that is for the sum of \$4300, subject to existing Federal Land Bank encumbrance. You recall that instrument, Exhibit "W," do you, that I showed you yesterday? What I am trying to do is to find out which one of these instruments, or if both of them, was given to refinance that \$4300 loan to the Farmers & Merchants Bank at Eureka?

A. I guess it was for both of them.

Q. That loan was for 42 or 43 hundred dollars, wasn't it? A. Yes.

Q. I don't quite understand what you mean by both of them to refinance. If you paid off one, it would settle that?

A. Oh, you mean to the bank?

Q. Yes. A. We only paid that balance.

Q. Then I was wondering just how you explain

(Testimony of Edgar Sadler.)

these two documents, one dated September 28, 1936, and the other, which apparently refers to this sum \$4300 was the same amount, dated the 15th of [465] April, 1937. That is Exhibit "X." I want you to explain, if you will, how you could make two of them subject to an existing Land Bank encumbrance and for the same amounts, to raise the money to pay the Farmers & Merchants balance of \$4300?

A. Well, there was only one paid, \$4200, but that might have been a copy or sent twice and been sent back again. It took a long time to get that loan. Sent papers to them and back again.

Q. This appears to have been recorded November 12, 1936. I am now referring to Exhibit "W." That is the best explanation you can give?

A. Yes. There was only one Commissioner loan of \$4200 given by us.

Q. This Exhibit "W" refers to \$4300.

A. Whatever it was, 42 or 43.

Q. The same item?

A. The same item, yes.

Q. And the Exhibit "X" refers to \$4200. Does that refresh your recollection in any way as to their being two instruments or explaining how that happened?

A. No, I don't think there was.

Q. Do you remember anything in connection with Exhibit "X," which is the one dated April 15, 1937, and given by you and your wife and Alfred Sadler and Kathryn Sadler, these three men, Walter C. Dean, Frank R. Hodgson and H. W. Browning as trustees, do you remember anything about

(Testimony of Edgar Sadler.)

how that came to be given or the negotiations [466] necessary in order to get it? If you had any difficulty about it or anything of that sort?

A. Had plenty of difficulty to get it.

Q. That is this \$4200 loan to pay off the Farmers & Merchants National Bank? A. Yes.

Q. When you say you had plenty of difficulty, you refer to hard to raise money or what?

A. Yes, hard to raise money.

Q. And this second mortgage, there was already an existing Federal Land Bank loan on the property? A. Yes, sir.

Q. Do you remember what the amount of that was at the time this was given?

A. Close to \$12,000.

Q. Existing April, 1937? A. Yes, sir.

Q. The indebtedness fluctuated, didn't it?

A. Yes, sir.

Q. What was the highest amount of indebtedness that you can recall the ranch was under at any one time? A. About 38 thousand dollars.

Q. Do you remember about what year that was?

A. '38, somewhere along there.

Q. The year 1938 is that what you mean? [467]

A. Yes, sir.

Q. And it was about 38 thousand dollars?

A. Yes.

Q. Was that all secured by mortgage or notes or other obligations? A. Mortgages.

Q. Did you owe other unsecured items, that is promissory notes or accounts on top of that?

A. No, I don't think so.

(Testimony of Edgar Sadler.)

Q. What was the least and the lowest amount that the ranch was mortgaged for outstanding, that the ranch and property was mortgaged for? What year was it, if you can give it, Mr. Sadler, that you had it reduced down the lowest? It never was clear, was it?

A. No, sir.

Q. Since 1918?

A. No, sir.

Q. Tell us, if you can, what the lowest figure was, indebtedness, secured or otherwise, during what year?

A. You mean at the present time?

Q. No, the lowest figure any time since March, 1918.

A. About ten thousand and something.

Q. At the present time what is it?

A. That is what I mean, at the present time.

Q. Has it been any lower at any time since 1918?

A. No, sir.

Q. Always that much or more?

A. More, yes, sir.

Q. Now with reference to Defendant's Exhibit "Y," that is a livestock chattel mortgage by Edgar Sadler, Ethel Sadler and Reinhold Sadler and Verna Sadler, dated April 15, 1937. Did you have anything to do with negotiating of that loan?

A. Yes, sir.

Q. Who, as a general thing, did take care of the negotiations, conferences and meetings with the banks or these various mortgagees on behalf of the Sadler family?

A. Reinhold Sadler and myself and my wife.

(Testimony of Edgar Sadler.)

Q. Well, who took the lead in it, if anybody?

A. I did.

Q. Now with reference to this particular chattel mortgage of April 15, 1937, which is Defendant's Exhibit "Y," that refers to indebtedness of \$13,544. Do you recall anything special in the way of difficulty or time consumed or anything in regard to your efforts to get that money?

Mr. Thompson: Objected to as immaterial, your Honor.

Mr. Cooke: The materiality, as we see it, your Honor, lies in his proof or tendency to prove the allegations of the defendant's special defense of laches and the methods and the difficulties met with in raising money to carry on during this time when we intend to claim that, if any of the parties were claiming an interest in the property they should have come forward and offered help; that Mr. Sadler was lulled into a sense of security by there being no claim made until this suit was brought, no effective claim made, until the suit was brought and therefore the parties who are now asserting the claim are estopped by their own neglect and laches. If the ranch were going ahead swimmingly and Mr. Sadler having an easy time of it and it was on the receiving end all the time, that would be one situation. The proposition of laches there would be of very little importance, whereas if he was experiencing all kinds of difficulties in getting the money and was continually harrassed by these demands and refinances, etc., I think that that would be

(Testimony of Edgar Sadler.)

material as tending to prove what we claim is laches and estoppel of the plaintiff in respect——

The Court: He may answer the question. Objection will be overruled.

(Question read.)

A. Well, I had quite a time to get it.

Q. Do you remember what you did, if you had to take any trips?

A. Let me see that. Is that the original? Yes, sir, I had to take a good many trips to Elko.

Q. Were those trips in reference to the negotiations that led up to the making of this loan?

A. Yes, sir.

Q. Did anybody else participate in those negotiations on behalf [470] of the Sadler family or any of the Sadlers?

A. Which Sadler family? There are three or four Sadler families.

Q. Well, the Sadler family living on the ranch?

Mr. Thompson: Objected to as immaterial, your Honor.

(Question read.)

The Court: Objection overruled. You may answer the question.

A. Well, my son and my wife and his wife. We all talked it over.

Q. But you took these trips alone, did you?

A. Well, one of the boys went with me most of the time or my wife.

(Testimony of Edgar Sadler.)

Q. Without going into each one of the remaining exhibits—you have had them shown to you and you have examined them—is it about the same story as to each of them in regard to the difficulty of raising the money and of your efforts to get the loans and the accommodations from the mortgagee banks and corporations? About the same thing?

A. Yes, about the same thing.

Q. Did you have any help from anybody on any of them? A. No, sir.

Q. And the answer you have given will apply to Defendant's Exhibits "Z," "A-1," "B-1," "C-1," "D-1," "E-1," "F-1," "G-1," "H-1" and "I-1," because they are all mortgages of one time or another. Mr. Furrh has called my attention to the fact that "F-1" was date of 1885, which I will ask to be excluded from that general question. [471] Now all the other documents I asked you about, and I believe the mortgages you have seen, the same answer in general would apply to all those documents as to your difficulties in getting the money, your efforts, etc? A. Yes, sir.

Q. Who is holding the mortgage on the property now? A. The Federal Land Bank.

Q. And do you know who they are represented by, agents or the like?

A. Well, we pay our interest here in Reno. I don't know his name. My son knows his name.

Q. How long, if you know, since that mortgage was put on the property?

A. 1928, I think, somewhere along in there.

(Testimony of Edgar Sadler.)

Q. It as been continued ever since?

A. Yes, sir.

Q. That is for a long period of time?

A. Thirty-six years.

Q. And that is included in one of the mortgages that I called your attention to? A. Yes, sir.

Q. Now since March, 1918, have you had any unusual hard winters where you lost any considerable number of cattle, as compared to other years?

A. Two or three of them. [472]

Q. What would be the average loss, taking that entire period of time from March 1918 down to date, what would be the average loss?

A. About ten per cent?

Q. How would you lose that ten per cent?

A. Well, they died.

Q. Died from what? A. Cold.

Q. What? A. Freeze.

Q. General things that cause cattle to die?

A. Yes, sir.

Q. Is your ranch so equipped that it can give the ordinary care to the cattle? A. Yes, sir.

Q. Do you expect your losses wouldn't be less than the average in that community?

A. No, sir; but in those hard winters it was a tough proposition.

Q. Now when was the first hard winter after March, 1918? A. '31 and '32.

Q. And what was the loss in cattle on the Sadler ranch for that year, if you can say?

A. Two hundred head or over.

(Testimony of Edgar Sadler.)

Q. Out of how many?

A. Six hundred or seven hundred.

Q. You lost somewhere near one-third the entire bunch? [473]

A. Yes, sir.

Q. How did that compare with loss of cattle around there on other ranches?

A. They all lost.

Q. That was an exceptionally hard winter, wasn't it?

A. Yes, sir.

Q. Now calling your attention to 1936, do you remember about that year or winter, with reference to its being unusually cold?

A. Yes, sir, lost about one hundred odd of cattle that year.

Q. You had a CCC camp out there in that neighborhood at that time?

A. Yes, sir.

Q. Do you remember the incident of some of the boys at that camp freezing to death that winter?

A. Yes, sir.

Q. And was there any winter, either in 1932 or 1936 or any other year, where it was so cold the railroad couldn't run from Palisade to Eureka?

A. Well, the railroad didn't run in 1931 and 1932.

Q. What about 1936?

A. It had to stop. We had some cottonseed cake ordered and we never hardly got it until after we didn't need it so much.

Q. On account of lack of transportation?

A. Yes, couldn't get it in.

Q. In 1925 how about that for a winter? Was that hard or average [474] or what?

(Testimony of Edgar Sadler.)

A. Oh, that wasn't so bad.

Q. That wasn't so bad as these other two?

A. No, sir.

Q. 1932 was the worst?

A. Yes, sir, the worst.

Q. How about 1925, do you recall anything as to the loss of cattle or what the winter was, as to being severe or otherwise?

A. It was a pretty bad winter but I don't know exactly how many cattle we did lose, but we lost cattle.

Q. Above the average?

A. Yes, above the average.

Q. You mentioned some other ranchers in your neighborhood there that lost their stock or went broke or the like. Can you give the names of any of them?

Mr. Thompson: Objected to as immaterial, your Honor.

The Court: Objection overruled. Answer the question.

A. You mean——

Q. Other ranchers that lost heavily of their cattle or even went into bankruptcy or broke?

A. Bill Rand was one and Pete Corletti, he was another, and across the other valley Mr. Moore, he was another one. In fact, most every one in that country lost cattle. They couldn't save them.

Q. But what I am getting at is whether their losses were such [475] that they were put out of business?

(Testimony of Edgar Sadler.)

A. Well, most of those parties were.

Q. When was that, in 1932 or 1936, if you can state? A. '32, I think.

Q. What is the average snow depth out there?

A. Well, about 12 inches, 8 to 12 inches.

Q. How long does it last?

A. About three months.

Q. Commences about when?

A. Oh, at different times, December mostly.

Q. And continues through January, February, and into March? A. Into March.

Q. Mr. Sadler, you told us about your experience in handling cattle, etc. Can you tell us about the average age of cows, when they are calves and so on, from year year, about what the average is.

A. You mean how old they are?

Q. Yes, how old they get before they simply die from old age? A. Well, from 8 to 12 years.

Q. Now in 1918 when you and Alfred got the deed to this property by the payment of \$16,500, you borrowed \$15,000, is that right? You gave a mortgage back to the Washoe County Bank for \$15,000? A. On the ranch.

Q. And that included what you call the ranch cattle too, did it not, the J bar C 20 head or so?

A. Supposed to.

Q. Now there were \$1500 that appears to have been obtained at that time for payroll, suit, and so on. Was that borrowed also? A. Yes, sir.

Q. And mortgage to the bank covered both items? A. Yes, sir.

(Testimony of Edgar Sadler.)

Q. A total of \$16,500? A. Yes, sir.

Q. What were you doing at the time just prior to March, 1918, and thereafter for some time? What were you doing, do you know?

A. I was on the ranch.

Q. Well, you told us about running a stage?

A. Oh, yes, I ran a stage from the ranch to Eureka.

Q. Carrying mail? A. Yes, sir.

Q. You had been running that prior to March, 1918, had you not? A. Yes, sir.

Q. And how long after March, 1918, did you continue to run the stage?

A. Oh, until '26, I think, somewhere along in there.

Q. About eight years. Did you succeed in realizing any money out of that? Make any money?

A. No, never made any money.

Q. Why did you keep on?

A. Well, in connection with the ranch, it was a great thing to [477] get our mail and I put in those bids and got the contract for it.

Q. Whatever monies you did get out of your stage contract business do you know how it was used? A. It was used on the ranch.

Q. Can you give us any idea how you would use it?

A. Oh, paying bills and different things.

Q. Keeping up the operations?

A. Keeping up the operations.

(Testimony of Edgar Sadler.)

Q. In March, 1918, can you give us any idea of the value of the ranch as compared with the value of the cattle that you put in the mortgage?

A. About the same thing.

Q. About a stand-off?

A. About a stand-off.

Q. Well, what would you say the value of the ranch was? You paid \$15,000 for the entire property?

A. That is it was worth about then.

Q. The entire ranch? A. Yes.

Q. And that would fairly represent the value, you say? A. Yes, sir.

Q. So that the cattle then that you put into that mortgage to get that \$16,500 represent substantially the same amount in value, is that right?

A. Yes, sir. [478]

The Court: I don't quite understand the answer and question. The ranch valued at \$15,000 and the cattle valued at \$15,000?

Mr. Cooke: Yes, that is as I understand it. Is that your answer? A. Yes.

Q. What, if you can state, was the value of cattle, a cow and a calf? A. About \$65.00.

Mr. Thompson: A cow and a calf together?

Mr. Cooke: Yes. Is that right? A. Yes.

Q. You had, you testified 200 of the quarter circle cattle that belonged to you exclusively?

A. Yes, sir.

(Testimony of Edgar Sadler.)

Q. And then you had what was called the ranch cattle?

The Court: Do you call that quarter circle or two half circles? A. Two half circles.

Q. Two half circles interlocking?

A. Yes; everybody has a different name for it.

Q. That was 200 head of yours?

A. Yes, sir.

Q. And then you included in there what is called the ranch cattle with the J bar C brand? [479]

A. Yes, sir.

Q. Something like 20 head? A. Yes, sir.

Q. Do you know anything about, from your rather extensive experience borrowing money, about how much these loaning companies would loan on the ranch, loan without any cattle?

A. Without any cattle?

Q. Yes.

A. They wouldn't loan very much.

Q. Well, that is not very definite. Now this ranch here, we will say, was worth \$15,000. Can you tell us anything about what you should have been able to have gotten on the ranch if you hadn't had any cattle whatever, how much loan you would be able to get?

A. Might have got ten thousand dollars.

Q. Two-thirds? A. Yes.

Q. A ranch without any cattle is rather more of a liability than it is an asset, isn't it?

A. Yes, sir.

(Testimony of Edgar Sadler.)

Q. Would it be feasible at all to attempt to operate a ranch out there without cattle or without sheep? A. I didn't get that.

Q. Would it be feasible to attempt to run a ranch such as you have there, six thousand odd acres, without any cattle or livestock? [480]

A. No, sir.

Q. You couldn't do it all?

A. You might do it, but without the cattle you couldn't do nothing.

Q. I mean from an economical standpoint you couldn't do it? A. No, you couldn't do it.

Q. Mr. Sadler, if during the period intermediate between March, 1918, and down, we will say, to 1940, or thereabouts, if you had supposed that there was going to be any claim of trust on this entire property, being under some sort of a trust for the benefit of the other heirs, with you only representing approximately a quarter, would you have gone ahead with the work at all?

A. No, sir, I would have quit.

Q. Your son Floyd acquired the interest that we have already heard about in 1930, is that right?

A. Yes, sir.

Q. That is my mistake, 1937. Floyd came in in 1937 and Reinhold came in in 1930?

A. Yes, sir.

Q. Do you remember what the indebtedness was on the ranch in 1937 when Floyd came in?

A. About 38 thousand dollars.

(Testimony of Edgar Sadler.)

Q. What was it when Reinhold came in, if you recall? A. Twenty-two thousand dollars.

Q. Is all of that represented by mortgages or would it probably [481] include other items, notes, etc.? A. Mortgages.

Q. Now you have told us that that indebtedness has been reduced from that high point or points down to about 11 or 12 thousand, I think you said now? A. Yes, sir.

Q. Where did the money come from to reduce that? A. Out of the cattle.

Q. Out of what cattle?

A. My boys' and myself.

Q. And your wife's? A. My wife's.

Q. From all of these cattle, these half circle cattle and the brand T E?

A. Yes, and the other.

Q. And that is divided, I think you have told us one-third each? A. Yes, sir.

Q. That is the practice? A. Yes, sir.

Mr. Cooke: I think that is all.

Cross-Examination

By Mr. Thompson:

Q. Mr. Sadler, you have had all the profits from the ranch, when there were profits, since 1918, have you not?

A. There never were any profits. [482]

Q. You and your family have lived on the ranch? A. Yes, sir.

Q. You have not starved to death?

A. No, we haven't starved to death.

(Testimony of Edgar Sadler.)

Q. And what income there was during that period of time you and your family have had, have they not? A. Yes, sir.

Q. And nobody else has shared in that profit?

A. No, sir.

Q. Do you recall in 1918 this chattel mortgage, Defendant's Exhibit "A" was executed by you and your brother Alfred Sadler? A. Yes, sir.

Q. Do you recall that chattel mortgage? You see that chattel mortgage covered 50 head of cattle branded J bar C and 200 head of cattle branded two half circles? A. That's right.

Q. Now this Exhibit "A" was prepared by the law firm of Cheney, Downer, Price & Haskins in Reno, Nevada, was it not? A. Yes, sir.

Q. I show you Plaintiff's Exhibit 42 for identification, is that in your handwriting?

A. Yes, sir.

Q. And is that not a memorandum that you sent to Alfred Sadler prior to the time this mortgage, Defendant's Exhibit "A," was executed, so that he and the attorneys would know what cattle [483] were on the ranch?

A. No, sir, I was in Reno at that time.

Q. Did you prepare this when you were in Reno at that time? A. I think I did.

Mr. Thompson: I offer Exhibit 42 in evidence, your Honor.

Mr. Cooke: No objection.

The Court: It may be admitted as Plaintiff's Exhibit 42.

(Testimony of Edgar Sadler.)

Mr. Thompson: The exhibit states "Branded 50 head J bar C right hip, right ear split; 200 head half circle right hip, right ear split."

Q. You testified yesterday, I believe, Mr. Sadler, that Exhibit "R," a mortgage for ten thousand dollars to the First National Bank of Winnemucca and the Farmers & Merchants National Bank of Eureka, was given to secure a loan and that the money so secured was used to pay off the mortgage to the Washoe County Bank, that is the chattel mortgage and the real property mortgage to the Washoe County Bank? A. Yes, sir.

Q. Now isn't it true that Defendant's Exhibit "E-1," which is the deed of trust to the Federal Farm Loan Bank in the principal sum of \$13,000, that the money secured by this loan, Exhibit "E-1," was used to pay off the loan secured by Exhibit "R?" A. Yes, sir.

Q. And Exhibit E-1 is the mortgage that is now on the ranch, the encumbrance that is now on the ranch? [484] A. Yes, sir.

Q. The balance due on it is ten thousand dollars?

A. A little over ten thousand dollars.

Q. There aren't any other existing mortgages or encumbrances on the ranch or the cattle on the ranch, is that true? A. No, sir.

Q. That is the only outstanding on it at the present time? A. Yes, sir.

Q. You testified, Mr. Sadler, that on January 10, 1938, you secured a loan which was secured by a chattel mortgage from the Regional Agricultural

(Testimony of Edgar Sadler.)

Credit Corporation for \$12,374.25, that is evidenced by Exhibit "G-1," and on January 7, 1938, you secured a loan for \$18,280, which is evidenced by Defendant's Exhibit "H-1." Were both of those loans outstanding at the same time?

Mr. Cooke: Would it help you to see the mortgages?

A. I don't think so. When I had that first mortgage there, the way the Regional done, we had that mortgage, then we made application for a renewal and get enough money in our budget to run for the year. You have to sign a mortgage for the whole amount.

Q. I show you Exhibit "G-1" and "H-1." Now were both of those loans on the cattle at the same time?

A. No.

Q. They are only three days apart.

A. Well, one is a renewal.

The Court: What exhibits are those, Mr. Thompson? [485]

Mr. Thompson: "G-1" and "H-1."

Q. Which one is a renewal?

A. The one for \$18,000.

Q. What does it renew?

A. Renews this one.

Q. Three days after it was given?

A. Well, I don't know—

Q. Are you sure that both of those chattel mortgages were executed, or just one of them was executed?

(Testimony of Edgar Sadler.)

A. It was the one here that we were getting the money for.

Q. Exhibit "H-1?"

A. I don't know what exhibit it is.

Q. "H-1." You got \$18,000 when you gave that chattel mortgage, is that right? A. Yes.

Q. \$18,280 on January 7, 1938. Now, looking at Exhibit "G-1," did you get \$12,374.25?

A. In addition to that?

Q. Yes.

A. No. I wouldn't need that much money.

Q. Well, some of the mortgages that——

A. That was the year before. That date is wrong. Then this one come in afterwards. Every year we had to make a new mortgage.

Q. Well, you say in 1938 you owed 38 thousand dollars. What did those debts consist of? First you had the Federal Farm Loan Bank [486] on Exhibit "E-1." How much did you owe on that in 1938?

A. I couldn't tell you the exact amount.

Q. I mean approximately?

A. Twelve thousand dollars.

Q. What other debts did you owe in 1938?

A. On cattle?

Q. How much, about 26 thousand dollars?

A. Yes.

Q. Defendant's Exhibit "A-1," Mr. Sadler, is that a renewal chattel mortgage or did you obtain some cash money when you signed that?

A. That was a renewal.

Q. That was a renewal?

(Testimony of Edgar Sadler.)

A. Yes. Well, we got our money for our budget and that was added in. We run on a budget them days.

Q. Which government agency supervised the budget?

A. The Regional Agricultural Company?

Q. And was the Federal Land Bank of Berkeley involved in that in any way in your budget?

A. Yes, they were supposed to get their interest.

Q. Isn't it true that in managing the ranch since 1918 you sold some cattle each year and would buy additional cattle with the proceeds of the cattle sold?

A. No, sir.

Q. It isn't? [487] A. No, sir.

Q. How did you operate? When you ran the ranch, how did you run it? Where did you get money to buy new cattle? A. Borrowed it.

Q. You always borrowed it?

A. Beside what my in-laws put in and my wife.

Q. Didn't you ever use the money that you got from the sale of cattle to refresh your new stock?

A. No, sir.

Q. You used it to pay off the loans on the old cattle? A. Yes, sir.

Q. And then you just borrowed more money on some cattle, is that right? A. Yes, sir.

Q. Is that the way you operated?

A. Yes, sir.

Q. In 1927 when you executed a chattel mortgage, was that not to buy additional cattle. That was March 28, 1929. I show you Exhibit "S," which is a chattel mortgage for \$2700, dated March 28,

(Testimony of Edgar Sadler.)

1929, and the property described consisted of 380 head of cattle branded two half circles. Was this chattel mortgage given to buy some new cattle?

A. I don't think so. I used the money on the ranch.

Q. And the cattle covered by Exhibit "S" were already on the ranch at that time?

A. Yes. [488]

Q. Mr. Sadler, did you ever buy some bulls from the Dangberg Land & Livestock Company in Douglas County?

A. Yes, sir.

Q. When was that?

A. I can't remember the dates. I bought bulls, that is all I know, and paid for them.

Q. How many?

A. Three or four.

Q. Do you remember how much you paid for them?

A. No, I don't know exactly what I paid for them. The boys can tell you that better than I can.

Q. I show you Defendant's Exhibit "J," which is a letter written to you dated May 6, 1944, and signed "Clarence." Did you receive that letter?

A. I received about the same thing.

Q. Did you answer the letter?

A. No, sir.

Q. You testified, I believe, that Alfred Sadler, your brother, was on the Diamond Ranch about four times after 1918?

A. Somewhere along there.

Q. And the last time Alfred Sadler was on the ranch was in November, 1943, was it not?

A. Yes, sir.

Q. He was there with his son, Edward Sadler?

A. Yes, sir. [489]

(Testimony of Edgar Sadler.)

Q. Prior to 1918 how much of the time was your brother, Alfred Sadler, on the ranch?

A. He wasn't there very much.

Q. Did he ever live on the ranch?

A. No, sir.

Q. He lived most of his life in Reno, Nevada, is that right? A. Yes, sir.

Q. And that is also true prior to 1918?

A. Yes, sir.

Q. And prior to 1918 did Alfred Sadler work on the Diamond Ranch?

A. No, sir; he was there for a little while haying about two or three weeks.

Q. Do you remember which year that was?

A. The time that—the year that Tonopah was in its boom he was working there and they sent for him to come to Tonopah and he went to Tonopah from the ranch. He worked a while haying there. After he got through school here. He graduated and then he come to the ranch and stayed there and then they sent some parties—I don't know who it was—sent for him to come to Tonopah and he went to Tonopah.

Q. Do you remember the year that Alfred Sadler got through school? A. No, I don't.

Q. Do you think it was about 1901?

A. Somewhere along there. I don't know, I didn't keep track of those dates at all. [490]

Q. Well, between the time he got out of school and 1918 was he only on the ranch that one summer?

A. That's all. He wasn't there all summer. He was just there for a short time.

(Testimony of Edgar Sadler.)

Q. Do you recall your mother's death, Louisa Sadler's death, in 1923? A. Yes, sir.

Q. Do you know where she was living prior to her death?

A. Well, I think she was down at Grass Valley and then they brought her to Carson.

Q. Did she have any relatives in Grass Valley?

A. Yes, sir.

Q. Was that Louis Zader? A. Yes, sir.

Q. Her son-in-law, is that correct?

A. Yes, sir.

Q. And your mother went to Grass Valley to stay with her sister-in-law because she was feeble toward the end, is that right? A. I suppose so.

Q. And then she was brought back to Carson City to be buried? A. Yes, sir.

Q. When did you first see the brand for horses, an "S" with a half circle over the "S?" When did you first see that brand?

A. I got it made myself.

Q. You got that made yourself? [491]

A. Yes, sir.

Q. When did you have it made?

A. I couldn't say what year.

Q. Well, about when, if you recall?

A. About in 1928, somewhere along in there.

Q. About 1918?

A. Somewhere along in there.

Q. Were there any horses on the Diamond Valley Ranch on March 2, 1918? A. Some.

Q. How many? A. Oh, maybe 15 head.

(Testimony of Edgar Sadler.)

Q. How were those branded?

A. All kinds of brands. Bought a part and traded for them.

Q. At that time you didn't have a horse brand, is that right?

A. No, the horse brand was sold. When the ranch holdings were sold, the horse brand was sold, the old brand of the Huntington & Diamond Valley Land & Stock Company. The brand was quarter circle "V" on the right shoulder.

Q. That was the brand of the Huntington & Diamond Valley Land & Stock Company, is that correct? A. Yes, sir.

Mr. Cooke: Is that a horse brand or a cattle brand?

A. Horse brand. That was sold before my father died, long before.

Mr. Thompson: That's all. [492]

The Court: We will take our noon recess at this time. We will be in recess until two o'clock this afternoon.

Afternoon Session, October 22, 1946

2:15 P.M.

Appearances same as at previous sessions.

MR. EDGAR SADLER

resumed the witness stand on

Re-direct Examination

By Mr. Cooke:

Q. I call your attention to document designated

(Testimony of Mr. Edgar Sadler.)

as Defendant's Exhibit "J," dated May 6, 1944, letter to you from Clarence. You remember seeing that letter when counsel showed it to you on cross-examination? A. Yes.

Q. And I think you stated in answer to his question whether you ever replied to that letter that you had not? A. Yes.

Q. Why didn't you?

A. Well, because I think I didn't have any reason to reply to it at all. He had started the suit, I think, and I turned the letter over to you, I think.

Q. Mr. Thompson asked you a number of questions about cattle out on the ranch and called your attention to Exhibit 42. Do you remember that exhibit? I think it was a short note in pencil [493] that stated something about 50 head of J bar C and 200 head of quarter circle? A. Yes.

Q. It is here marked Plaintiff's Exhibit No. 42. When was that made—it not being dated—when was that made, if you recall, about? With reference to the time of the mortgage given to the Washoe County Bank of \$16,500? A. At that time.

Q. And do you remember to whom you delivered this? A. I don't remember.

Q. Do you remember anything about the paper at all?

A. No, I don't remember it at all.

Q. It is your handwriting?

A. Yes, sir, that is mine.

Q. I think you testified in regard to the chattel mortgage of 50 head of J bar C cattle that were in-

(Testimony of Mr. Edgar Sadler.)

cluded with the 200 quarter circle cattle. That 50 head was put in there as a sort of outside maximum figure? A. Yes, sir.

Q. And on checking up you found only about 20?

A. Yes, 20 cattle.

Q. And those were the 20 head I think you testified that Herman Sadler told you you could have?

A. Yes, sir.

Q. You didn't have any dispute about them so you took them over [494] and that ended it?

A. That was the end of it.

Q. Did you have any exact data or have occasion to ascertain the exact number of J bar C cattle prior to March 2, 1918? A. No.

Q. Some question was asked you about the budget, etc. These mortgages, if I am not mistaken, provide for principal sum and then provide for the mortgagee's advancing further sums for the care of the stock, etc., if necessary? A. Yes, sir.

Q. Under that would it be possible, for instance, for the mortgages to show on their face that there was a ten thousand dollar indebtedness but that there might be some notes given for subsequent advances? A. I don't think so.

Q. Well, wouldn't you give notes for subsequent advances made? A. Yes, sir.

Q. There would be a mortgage for a given sum, say ten thousand, and under this budget system if you required further monies from year to year, wouldn't you give notes from time to time, additional notes for that? A. Yes, sir.

(Testimony of Mr. Edgar Sadler.)

Q. So the mortgage doesn't represent exactly the amount of the entire indebtedness for any particular time? A. No. [495]

Q. The outstanding notes, but those notes would be secured by the mortgages?

A. Yes, by notes.

Q. Now counsel showed you Exhibit "G-1" and Exhibit "H-1," one dated January 7, 1938, and the other dated January 10, 1938, a few days later. I will show this to you. I think you stated that you did not know just how it came about. I call your attention to Exhibit "H-1," is made by yourself and your wife and Reinhold and his wife to the Bank of America Agricultural Credit Corporation. Notice that office up there? A. Yes.

Q. The other instrument that was dated January 10, 1938, three days later, appears to be made to the Regional Agricultural Credit Corporation, Salt Lake City. Those are not the same concerns, are they? A. Which?

Q. Well, those two concerns, the mortgagor? This one here is the Bank of America, San Francisco? A. Yes.

Q. And this one here is the Regional Agricultural Credit Corporation, Salt Lake City?

A. Yes.

Q. Counsel asked you some questions about Exhibit "A-1" and I think you testified that was a renewal. You were then on a budget, borrowed money to buy new cattle and you said something about

(Testimony of Mr. Edgar Sadler.)

[496] money that you received from the boys and your wife. Do you remember how much money Reinhold put in to start?

A. I know he put all he had in, 1600 and some odd dollars.

Q. Do you remember the amount that his wife put in from her school teaching, into the ranch or improvements and the like?

A. You mean for the house that they built?

Q. Yes.

A. She put in two thousand dollars.

Q. In your answer in this case you were referring, and I think you also testified, to something about life insurance policies which you cashed and which were used in the ranch. Do you remember about that? A. Yes, sir.

Q. You stated that you had three life insurance policies, one issued by the New York Life Insurance Company, three thousand dollars, cashed by you in 1920, and one issued by the Kansas City Life Insurance Company for \$1800 or over and that was cashed by you in 1922. That Kansas City Life Insurance Company policy, was that for the \$1800 note?

Mr. Thompson: Objected to as leading and on the further ground not re-direct examination, the further ground it has already been asked and answered.

The Court: Objection will be overruled.

Q. I was trying to find out what the facts of that policy was, if you remember? [497]

A. It was a policy for three thousand dollars and I got 1800 out of it.

(Testimony of Mr. Edgar Sadler.)

Q. You cashed it in for that money?

A. That's right.

Q. And how about the two policies with the New York Life Insurance Company for the three thousand mentioned in this same paragraph? Did you get the full amount of that?

A. No, I never got the full amount of any of them. I cashed them in for so much.

Q. Do you remember how much you got on the New York Life Insurance Company?

A. I can't say. I think one I got \$2600.

Q. How long had you been carrying the New York Life Insurance policy, when did you take it out?

A. When I was about 25 years old.

Q. What year would that be? How long prior, we will say, to the time you cashed them in in 1920 and 1922?

A. There was one cashed in before 1922 and the other one was afterward.

Q. That is not what I am asking you, Mr. Sadler. I am trying to find out when you first took that insurance out. You said when you were 25, but some of us may not know when that would be. How long had you carried them before you cashed them in? What year were you born?

A. '76. [498]

Q. That would make it along about 1905, about the time your father died?

A. Yes.

Q. When you took this insurance out?

A. Before he died, I think.

(Testimony of Mr. Edgar Sadler.)

Q. And you carried it from that time on down until this time that you cashed them in?

A. Yes.

Q. The dwelling house that was built there in 1922 after the other one burned down, do you know from what source the money came to build that?

A. The money from the insurance policies to reconstruct the building. Part of it.

Q. And the balance of the money from these insurance policies was used for what purpose, do you know?

A. For expenses of the ranch.

Q. To keep things up and keep them going?

A. Yes, to keep it going.

Q. You testified that Alfred had been on the ranch some three or four times for this period from March 2, 1918 down to the time he died, and I think you said the last time was in November of some year, but I didn't get that year. Do you remember what year that was?

A. The year before he died.

Q. That would be '43, wouldn't it? [499]

A. Yes.

Q. You said something about he left the ranch at the time of the Tonopah boom. Tonopah, as a matter of fact had two booms?

A. Well, when it was first discovered.

Q. That was about 1900 or 1901?

A. Somewhere along in there.

Q. And that is when he left the ranch and went to Tonopah with this friend or party who wanted him to go down there?

(Testimony of Mr. Edgar Sadler.)

A. Yes, he went down there. I think he went down with George Bartlett. Took a team of mules from the ranch and wanted to do some work surveying or something.

Q. George Bartlett at that time was living in Eureka, wasn't he?

A. Yes, he was living in Eureka.

Q. You appear to have given in your testimony a good many details that took place in these mortgages, etc. Did you ever keep any books of accounts, set of books on the business?

A. No.

Mr. Cooke: That's all.

Mr. Thompson: That's all.

MRS. ETHEL SADLER

was recalled and having been previously sworn, testified as follows:

Direct Examination

By Mr. Cooke:

Q. Do you remember of the construction of the house that Reinhold and his wife are living [500] in?

A. Yes sir, I do.

Q. Do you remember about when that was?

A. Well, it was at the time we were trying to get that Commissioner's loan. I was living here in Reno at the time and I know we went out there and we saw the lumber on the ground and I was surely worried; I was afraid he would have to leave

(Testimony of Mrs. Ethel Sadler.)

and all this lumber to build a house, with things so much unsettled.

Q. You had quite a hard time trying to get a loan on the ranch?

A. Yes we did, we had a real hard time.

Q. Do you know or have you learned where the money came from to finally pay for that house?

A. Reinhold's house?

Q. Yes.

A. Well, she taught school and Reinhold drove the stage.

Q. Well, what is your answer then as to where the cost of building that house came from? Who paid for it?

A. Reinhold and his wife.

Q. It wasn't necessary to take it out of the loan?

A. No.

Q. Do you know about how much it cost?

A. They figured two thousand dollars to build that house.

Q. You were called in from time to time to sign mortgages that have been exhibited in evidence here, you recall that, do you.

A. Yes.

Q. And what have you to say as to the difficulty getting loans [501] and getting renewals and getting by financially on the ranch during this period from March, 1918 down to the time of the commencement of this suit?

A. Well, it wasn't very easy. In 1930 we bought those cattle and in 1931 and '32 was that hard winter and the trains didn't run at that time for two months, and well, one time we had to feed the cattle, start in feeding the cattle early.

(Testimony of Mrs. Ethel Sadler.)

Q. Are you talking about 1931-'32?

A. Yes.

Q. That was the hardest winter, was it?

A. Yes, that was. The summer was dry. It was a dry summer and the cattle had to go so far to those water holes, I remember I was throwing hay around the fence and one fell down at the time. They came in in poor condition, and then it was 1930 and 1935, below zero and the thermometer didn't even register, it was so cold. And these snowfalls lasted sometimes for eight days at a time and I can remember going out and seeing—I counted, I know, one morning, seven dead head and you would think they were lying there sleeping and they were just lying there with their heads down, frozen to death.

Q. Do you know anything about the percentage of cattle that were lost that winter?

A. Yes, I do. In the fall we counted them. There were 200 less and then we had to sell the steers that 1932. In the fall of 1932 we sold 57 head of steers for \$1812. That was the beginning of [502] this depression and that \$1812 was just a whole year's work, that was a whole year's work for \$1812, because we only sold cattle once a year and we figured at that time that wouldn't take care of hardly the interest and the taxes and everything else and that is why we had to borrow so much.

Q. Do you know approximately what the yearly taxes for the year was on the ranch?

A. No, it fluctuates.

Q. Now you told us about the sale of a number

(Testimony of Mrs. Ethel Sadler.)

of steers and the total value or total amount realized was 1800 some odd dollars. Do you remember how much you got per pound per head?

A. I know it was four cents per pound. That was all we were getting. And this depression lasted——

Q. They ran in the neighborhood of \$30 per head?

A. Just about.

Q. Were there any other hard winters at all comparable to 1931 and 1932?

A. Well, I was here in Reno the one that was there in 1936, but I can remember that too. The CC camp was there, and you maybe heard that over the radio where these boys were snowed in and there was no chance to get food to them and there were a couple of boys froze to death.

Q. What about the loss of stock that year?

A. They figured they lost about 125 that year and I imagine that [503] was during the depression too, because it lasted quite a while.

Q. The loss of the 125 head you would say was due to the hard winter?

A. Oh yes.

Q. Your husband, I think, testified 10 per cent was the amount of the loss. Do you know anything about that?

A. Well, that is what the stockmen figured, 10% loss.

Q. Was there any other winter where the stock suffered and died in excessive numbers?

A. Well, those were the two years.

Q. The two hard winters?

(Testimony of Mrs. Ethel Sadler.)

A. Yes, they were the two really hard winters.

Mr. Cooke: That's all.

Mr. Thompson: No cross-examination.

REINHOLD SADLER

was recalled and having been previously sworn, testified as follows:

Direct Examination

By Mr. Cooke:

Q. I think it is alleged and testified to somewhere in this case that your interest in the ranch, financial interest in the ranch, you became sort of a partner there, in 1930, is that correct?

A. Yes.

Q. Can you tell us about what the total outstanding indebtedness of the ranch was at that [504] time?

A. Around 22 thousand dollars.

Q. Do you know anything about what the total outstanding indebtedness was in 1937 when your brother Floyd came home as a partner?

A. I believe around 38 thousand.

Q. Would the indebtedness that you mention be all represented by the face of the mortgages?

A. No.

Q. Well, for instance, you take on a given year and given time and the mortgage at that time outstanding on its face was ten thousand dollars. How would there be any additional secured indebtedness?

(Testimony of Reinhold Sadler.)

A. Well, we were running on a budget at that time and you ask for your money ahead and then as you withdrew this money you signed a note.

Q. You signed up for a matter of ten thousand dollars and then would the aggregate of those notes be in excess of the face of the mortgage sometimes?

A. Yes.

Q. So you might have a mortgage on its face for ten thousand dollars and an actual indebtedness secured by that mortgage for a much larger sum?

A. Yes.

Mr. Cooke: That's all. [505]

Cross-Examination

By Mr. Thompson:

Q. What year did you have the largest number of livestock on the ranch?

A. Well, I wouldn't say for sure, but I think it was 1938 or 1939.

Q. Do you recall how many head of cattle, cows, steers and calves you had at that time?

A. I believe our largest count was around 800.

Q. Did you ever have more than one chattel mortgage on the same livestock at the same time?

A. No, with the exception of that second mortgage to the Federal Land Bank.

Q. Well, that was on the ranch, wasn't it, itself?

A. Yes.

Q. I am talking about the cattle.

A. No.

(Testimony of Reinhold Sadler.)

Q. There was never more than one chattel mortgage on the same cattle at the same time?

A. No.

Mr. Thompson: That's all.

Re-Direct Examination

By Mr. Cooke:

Q. That is since you became a partner. You don't know a great deal about it prior?

A. No, I don't.

Mr. Cooke: That's all. [506]

MR. CLARENCE SADLER

was recalled and having previously sworn, testified as follows on

Cross-Examination

By Mr. Furrh:

Q. Mr. Sadler, you testified that you examined the records of the Federal Land Bank in Berkeley, I believe, in the late fall of 1930, is that correct?

A. It was in 1930 some time, whether it was the latter part—it was in 1930 some time. It may have been '33 or '34 or '35, around that time.

Mr. Furrh: Your Honor, may the record show that we are calling Mr. Sadler on cross-examination?

The Court: It may so show.

Q. You don't remember the exact date then, Mr. Sadler, that you examined the records?

A. Well, I can't say the exact date because I didn't make any notation on my memorandum the exact date I went into the records.

(Testimony of Mr. Clarence Sadler.)

Q. You wrote a letter to your brother Alfred, did you not, in which you informed him that some time during 1932 you had examined the records.

Mr. Thompson: Objected to on the ground that the witness be shown the letter and the letter is the best evidence.

The Court: I think counsel will show the witness the letter.

Q. Mr. Sadler, I show you Defendant's Exhibit "N." If you will notice attached to that letter are certain figures, reflecting that you furnished Alfred with information in regard to the loans [507] that you had obtained from the Federal Land Bank at Berkeley, is that correct?

A. Yes, these are in my handwriting.

Q. That was some time during the summer of 1932?

A. Well, the letter is dated July 28, 1932, yes.

Q. And it was shortly before that that you had been at the bank? A. I presume so.

Q. Now did you go to the bank on any other occasions after that, Mr. Sadler?

A. Yes, I went to the Federal Land Bank before this suit was filed.

Q. During the period from say 1932 up until the time the suit was filed, did you go to the Federal Land Bank on a number of occasions to examine the status of this mortgage? A. No, I did not.

Q. In other words, the only times that you went were at the time you mentioned in this letter of July 28, 1932 and then just prior to the time the suit was filed? A. Yes.

(Testimony of Mr. Clarence Sadler.)

Q. Did you know from any other source about the execution of these various mortgages that have been testified to?

A. No. I called at the Bank of America subsidiary shortly before the suit was filed and made inquiry if there was any outstanding loan on the cattle and as I recall it the man said there was a small loan. [508]

Q. Did you ever make any inquiry at the recorder's office in Eureka concerning these loans on the ranch? A. No.

Q. Did you make any effort at all, except the two occasions that you mention, to ascertain what the status of the various loans on the property was?

A. Well, I asked Alfred from time to time for information.

Q. Did he furnish that information?

A. Well, at various times he told me there were certain outstanding loans. I don't know what loans he mentioned.

Q. You testified that you visited the ranch in 1938, is that correct? A. That is correct.

Q. On that occasion did you observe that Reinhold had built a home out there?

A. I did. As a matter of fact, Mr. Castro stayed at Reinhold's home.

Q. When did you first learn that Reinhold had been taken in as a partner by his father?

A. I did not learn until I received a copy of the Answer.

(Testimony of Mr. Clarence Sadler.)

Q. And your answer, I suppose, would be the same so far as Floyd is concerned? A. Yes.

Q. Did you know anything about the terms or conditions on which Floyd and Reinhold were working at the ranch? [509]

A. Well, I knew that they were running cattle together out there. Alfred told me that, but I didn't know any special terms.

Q. In other words, you knew that Reinhold had his cattle and that Floyd had his cattle.

A. Yes, and that they ran together with the ranch cattle.

Q. Did you ever at any time say anything to either Floyd or Reinhold concerning the interest that you claimed in the ranch?

A. Yes, I mentioned it to Floyd several times.

Q. When was that?

A. Oh, back when he was going to school in California.

Q. Did you ever say anything to him about that after 1938?

A. Well, I didn't see him after 1938.

Q. The first time you saw him after 1938 was in the present case?

A. Yes. I think I also mentioned it to him when he was here in Reno. He was here at the funeral of my brother.

Q. Do you remember when that was?

A. Well, I made so many trips to Reno on investigation purposes.

(Testimony of Mr. Clarence Sadler.)

Q. Where did you have occasion to see him?

A. Oh, here in Reno. I think one time I saw him down in the office of the Public Service.

Q. Do you have in mind any particular conversation you had with him? A. No, I have not.

Q. Just have a recollection of a conversation?

A. Yes. [510]

Q. Did you ever say anything to Reinhold about the claim that you had in the ranch?

A. I may have. I don't recall any specific instance now.

Q. Mr. Sadler, I think you testified on the first occasion on which you observed Exhibit 8, which is the alleged trust agreement, was some time during the year 1918?

A. Yes, it was May or June of 1918 when I returned from Lake Charles, Louisiana.

Q. You observed it, of course, I suppose, as a lawyer, I suppose you observed only two of the individuals named in the instrument were signers?

A. Yes.

Q. Did it ever occur to you that the other persons named in the instrument should also be included?

Mr. Thompson: Objected to; calls for conclusion and invades the province of the Court.

The Court: Objection will be sustained.

Q. Mr. Sader, you have heard the testimony to the effect that beginning in 1932 Reinhold Sadler and his wife joined in the various chattel mortgages which have been introduced in evidence along with Edgar Sadler and Ethel Sadler? A. Yes.

(Testimony of Mr. Clarence Sadler.)

Q. Did you ever have any knowledge of the fact that Reinhold and his wife were joining in those mortgages?

A. Well, I knew they had bought some cattle, that Reinhold had [511] taken his money that he received from the Compensation Commission and invested in cattle and I presumed that his wife had also put up some money because she was teaching school out there.

Q. That is put up money for the purpose of purchasing cattle, is that right?

A. Well, I don't know what they put up, but I presumed they were in partnership in their cattle.

Q. Do you remember how that was first called to your attention?

A. Oh, I think Alfred told me about it.

Q. At what time, do you recall?

A. Well, I know in 1930 I was out to the ranch and I was told that—no, it was in 1933 when I was at the ranch—and I was told by the folks out there that Reinhold had received some money from the State for an accident to his eye.

Q. Did they tell you what disposition he made of that money?

A. I think Reinhold said he invested in some stock, that is my recollection.

Q. You mean cattle?

A. Cattle, yes, livestock.

Q. You testified that on a number of occasions you mentioned to Floyd the fact that you had an interest in this ranch?

A. Yes.

(Testimony of Mr. Clarence Sadler.)

Q. And you testified that one of these occasions was when he was going to school in Oakland?

A. Yes, he used to come out to our place quite often and we [512] asked him up for Sunday dinners.

Q. When was that? Do you recall what years?

A. Well, that was before and after his—it was before, I think, his grandmother passed away, possibly in '28 and '29.

Q. He was in high school?

A. And he was also in Polytech, Oakland Polytech.

Q. What was the other occasion that you mentioned?

A. I think that was when we discussed it over in the Land Office here, when I met him over there one day.

Q. Do you remember what year that was?

A. I don't recall the year.

Q. Can you fix the date approximately?

A. No, I couldn't, because I was in Nevada on a number of occasions. I came up here on investigation work and I also went to Salt Lake and on my return I would stop here to visit with Alfred. It was prior to the time he returned to the ranch.

Q. Some time prior to 1936 or 1937, whenever it was when he returned to the ranch?

A. Yes, I think he was on one of the surveys. He was in the office there with another boy. Alfred was in there too.

(Testimony of Mr. Clarence Sadler.)

Q. Do you remember how the subject matter came up for discussion?

A. No, I don't recall. It may have been we were discussing the ranch and he said, "Well, I may return to the ranch." I said, "Well, how about you and Reinhold buying my interest?"

Q. Do you remember that type of conversation?

A. Well, I remember some conversation with Floyd in Reno. Now whether it was the survey office or some other place, I don't exactly recall.

Q. And you are not sure what you related is the gist of it?

A. Well, as I recall it, it was some discussion about the ranch.

Q. What did he say to your suggestion in regard to his buying?

A. He said, "I don't know if it can be arranged, where the money will come from."

Q. In the conversation that you had in Oakland concerning your interest in the ranch with Floyd, I believe you testified that that took place at your home?

A. Yes.

Q. Who was present? A. My wife.

Q. Just the three of you?

A. And my son Bruce; he was interested.

Q. And this other conversation, the one that took place here in Reno, you and Floyd and some boy that was accompanying him?

A. Well, I think he was working in the office, I am not sure. I think he was one of the staff.

(Testimony of Mr. Clarence Sadler.)

Q. Are you talking about Floyd now or the individual that was with him?

A. The man that was with him.

Q. Just the three of you?

A. No, Alfred I think was present.

Q. Did you ever have any other conversations with either Floyd or Reinhold in which the question came up as to your interest in [514] the ranch?

A. I don't recall any. I may have had a conversation with Reinhold. I have some recollection of discussing it with Reinhold up there; I don't know, I am not sure.

Mr. Furrh: That's all.

Mr. Thompson: That's all.

MR. FLOYD SADLER

was recalled and having been previously sworn, testified as follows:

Direct Examination

By Mr. Cooke:

Q. Mr. Sadler, you heard testimony of Clarence Sadler a moment ago? A. Yes.

Q. Concerning having had two conversations with you, one at Oakland and one——

Mr. Thompson: He talked several times at Oakland.

Q. Well, at least one in Oakland and one here in the Land Office. You heard his testimony, did you?

A. Yes.

(Testimony of Mr. Floyd Sadler.)

Q. It was while you were attending school that the first one occurred? A. Yes.

Q. At his home? A. Yes.

Q. In the presence of himself and his wife and his son Bruce. Did you at that time have a conversation with him at which he [515] stated something about your buying his interest in the ranch and your replying that you didn't know where the money was coming from, or words to that effect?

A. No, I told him I never had any intention of going back on the ranch at that time. I was just going to school, getting an education.

Q. The point is whether any such conversation actually occurred? A. I do not recall it.

Q. If you had had such conversation as that, in which he asserted he had an interest in the ranch, would you have gone ahead and put your money in there as you did do? A. I do not think so.

Q. Did you have any other talks with him at his home in Berkeley or Oakland, wherever it was, in which the matter of his having an interest in the ranch property came up?

A. I can't recall any. I went out to his home quite a number of times while I was in school and out to dinner, but the only conversation I can recall that came up, he would ask me how the folks were on the ranch and how things were on the ranch, what I heard in the last letter, etc.

Q. And in reference to conversation in the Land Office here in some year which he does not exactly know which one it was, do you remember any con-

(Testimony of Mr. Floyd Sadler.)

versation there where Alfred was present? Well, do you remember any conversation in the Land Office here in which the matter of Clarence Sadler having an interest in [516] the ranch property came up, being discussed in any way there?

A. I can't remember any conversation we had in the Land Office at any time. I have a faint recollection of Clarence coming in to see Alfred one day at the Land Office. He also came in my office to see me. I was in an office with three other men at that time.

Q. Was that the only occasion when he called at that building or to see you that you just described?

A. Yes.

Q. Was there anything said on that occasion in regard to his having interest in the ranch? Was the ranch mentioned in any way?

A. No, it was not.

Q. I think Mr. Clarence Sadler fixed the time shortly before you returned to the ranch, which I believe was in 1936 or 1937. Does that refresh your recollection in any way as to having any talk with him at that time?

A. Well, while I was in the Land Office at that time, I took the civil service examination for General Land Office surveyor and this visit occurred before I took this civil service examination.

Q. Was it shortly prior, before you returned to the office? A. No, it was two years prior.

(Testimony of Mr. Floyd Sadler.)

Q. And that was the only time he was in there and the only time he had a talk in that building?

A. Yes.

Mr. Cooke: That's all.

Mr. Thompson: No questions.

Mr. Cooke: That is defendant's case, your Honor.

The Court: Defendant rests?

Mr. Cooke: Defendant rests.

Rebuttal Testimony

MR. CLARENCE SADLER

having been previously sworn, testified as follows on

Direct Examination

By Mr. Thompson:

Q. Do you recall any occasion when Ethel Sadler and her daughter, Violet, visited you and your wife in Berkeley? A. Yes.

Q. When was that?

A. In the spring of 1930.

Q. And at that time where did Ethel Sadler and her daughter, Violet, stay?

A. They stayed at our home.

Q. During that time did you have any conversation regarding the Diamond Valley Ranch?

A. We did.

Q. Who was present during the conversation?

A. My wife, Ethel Sadler, and myself.

Q. What was the conversation, as you recall it?

A. We asked Ethel to put the ranch on the mar-

(Testimony of Mr. Clarence Sadler.)

ket for sale and following her return to Eureka she would discuss the matter with Edgar and get a price so we could list the properties with various real estate firms handling ranch properties.

Q. I show you Plaintiff's Exhibit 41. When did you first see that?

A. I first saw that letter when my wife opened it shortly after July 12, 1930.

Mr. Thompson: It is a letter dated July 12, 1930, addressed "Dear Reba," signed "Ethel," which contains the following paragraph: "Edgar said he was willing to sell any time he could received \$65,000 for the ranch alone. He said the way ranches are selling at the present time it is worth it."

Q. I show you a photostat letter dated Reno, Nevada, August 8, 1930, addressed "Dear Clarence," will you state what that is, please?

A. That is a letter I received from my brother Alfred. It is in his handwriting and it is signed by Alfred with his signature. Received in the regular course of mail.

Mr. Thompson: I offer the letter in evidence, your Honor, as Plaintiff's Exhibit 43.

Mr. Cooke: The defendant, Edgar Sadler, objects to the admission in evidence of the offered letter, dated August 8, 1930, on the ground that it is not rebuttal, on the ground that it is hearsay as to the defendant, Edgar Sadler, purporting to be [519] expression of opinion, etc., on the part of Alfred Sadler; that it can't have any tendency to prove the alleged trust as the statute provides; that no trust can be proved unless signed by the parties to be

(Testimony of Mr. Clarence Sadler.)

charged with a trust and in the absence of the signature of Edgar Sadler in the document that is intended to prove any trust, there would be no foundation. It would be incompetent.

The Court: The only point is, is this proper rebuttal?

Mr. Thompson: Well, if the Court please, Ethel Sadler denied any such conversation in 1930 and Mr. Cooke on rebuttal has set forth his evidence which he thinks tends to establish laches on the part of the plaintiff——

The Court: It will be admitted as Plaintiff's Exhibit 43.

PLAINTIFF'S EXHIBIT No. 43

Reno, Nevada

Aug. 8, 1930

Dear Clarence:

Your letter received and contents noted. From what you say, the property would have to be sold for about \$75000 to get the commission and etc. to bring a net of \$65000. I do not know exactly the number of acres in the Diamond Ranch but have an idea it is close to 2500. I can not say how many acres is cultivated but would say that over 1000 is cultivated and would not class the big meadow as cultivated land because same is not plowed very often. I do not know what outside range land could be mentioned because no doubt a person would have to pay Government for grazing on the ranges.

I do not know the number of tons of hay cut on the ranch but do know that some of the fields should

(Testimony of Mr. Clarence Sadler.)

have been reseeded before they would produce like they used to do. Can not say how many acres were reseeded last year and this spring.

The fields that wheat and grain was planted being to reseed to alfalfa, again.

The date in regard to acreage would have to be secured from Edgar and average cut of hay of the cultivated land, the acreage from the meadow land.

What the big idea of the commission transferring you back to Washington. Are they cutting down expenses in the West again and going to direct same from Washington or Chicago. I do not understand why you want to take a trip down to Las Vegas as it will be a year or so before they get started down there from the reports and conditions that I hear. It would be a waste of money to go down there now and I have my doubts that anything could be accomplished. The trip to the Ranch would take four days no doubt.

Enclose find five dollars as a Birthday present to Bruce from Edward, Patricia and myself. Buy something that he might need or some toys that would interest him, Edward says.

We are all well and hope that you, Reba and Bruce are in good health. Not so warm as it was a while back but still somewhat warm during the days. Hope that everything is going all O.K. and with lots of love from us all to you all.

Your Brother,
/s/ ALFRED.

[Endorsed]: Filed Oct. 22, 1946.

(Testimony of Mr. Clarence Sadler.)

Q. Where were you in August of 1930, Mr. Sadler?

A. I made a trip to Los Angeles about that time.

Q. I show you Plaintiff's Exhibit 44 for identification. Will you state what it is, please?

A. Well, it is a copy of letter dated August 11, 1930, and it is a typewritten letter and it is addressed to Edgar A. Sadler, Eureka, Nevada, and it is signed F. Bowen. The name appears typewritten at the bottom of the letter.

Q. When did you receive Exhibit 44 for identification? A. Mr. Owen gave it to me.

Q. And who was Mr. Owen?

A. Well, he was the manager of the Boulder Dam Land Department [520] of some large real estate firm in Los Angeles. Mr. Owen was department specialist in the sale of Boulder Dam or Las Vegas lands and also in ranch lands.

Q. And when did he give it to you?

A. Well, he gave it to me, I think the following day after the letter was typed and sent.

Mr. Thompson: We offer Exhibit 44 for identification in evidence, your Honor.

Mr. Cooke: The defendant, Edgar Sadler, objects to the admission in evidence of Plaintiff's Exhibit 44 for identification, on the ground that it is incompetent and immaterial and irrelevant, does not prove or tend to prove any issue in the case. That it is rebuttal. That it purports to be a copy of letter written by this man Owen to Edgar Sadler. Mr.

(Testimony of Mr. Clarence Sadler.)

Sadler's attention to any such letter as that was not called when on the stand, no notice given to Mr. Sadler's attorneys to produce the original of it. That it is merely a recital by a third party, F. B. Owen, as to what Edgar Sadler's brother, C. T. Sadler, had informed him about the ranch and making inquiry about the terms of the sale. No foundation laid for any such introduction as that.

Mr. Thompson: If the Court please, we do not offer it as letter received by Edgar Sadler. We do not know whether it was received or not, or whether the original of the letter was ever mailed. We offer it to show what Mr. Clarence Sadler did [521] with relation to the sale of the ranch in 1930, after the conversation with Ethel Sadler in Berkeley and the receipt of the letter from Ethel Sadler, giving the price of \$65,000 for the ranch and the letter dated August 8, 1930, from Alfred Sadler, merely corroborating the entire incident, your Honor.

The Court: Objection will be sustained.

Q. Mr. Sadler, did you have any conversation with John Eccles during the years 1945 or 1946?

A. I did.

Q. When did the conversation take place?

A. The conversation took place in the holidays of 1945 at my home in Berkeley.

Q. Who was present during the conversation?

A. John Eccles, his wife, Vera Eccles, and my wife, Doris Reba Sadler, and myself.

Q. Is that the only conversation you had with

(Testimony of Mr. Clarence Sadler.)

John Eccles during the year 1945 or 1946, with the exception of the days he was present here at the trial? A. That is correct.

Q. During that conversation, did you say to John Eccles, "Edgar always told me I had nothing to do with the ranch?" A. No.

Q. Did you say anything to him that carried the same import or meaning? A. No. [523]

Q. Immediately after Mr. Eccles visited you, did you write me a letter in which you mentioned his visit?

A. I would say two or three days afterwards.

Q. And by referring to that letter you would be able to refresh your recollection as to what the conversation was at that time? A. Yes sir.

Q. I show you a letter dated January 2, 1946, addressed to Mr. Bruce R. Thompson and signed C. T. Sadler, is that the letter to which you refer?

A. It is.

Q. By referring to that letter, refreshing your recollection from it, will you state the substance of the conversation you had with Mr. John Eccles at the time specified?

A. Yes. Well, I asked John if he wanted to see the house and he said "Sure", so I took him down in the basement, through the dining room and into the kitchen——

Q. I mean the conversation relating to the ranch.

A. I am going to connect it up this way. While we were down in the basement John said, "What are you doing to your brother?" I said, "Well, I am not doing anything." He said, "Well, you

(Testimony of Mr. Clarence Sadler.)

filed a suit against him." I said, "Yes, I had to file a suit against him because he said I had no interest in the ranch after Alfred's death," and we went upstairs and I asked him if he would like to see a copy of the complaint and answer and [523] he said yes, so I gave it to him and he looked at them and then he said, "Well, why don't you work out a settlement?" I said, "Well, the matter is in court now. If Edgar would like to make a settlement, he should come to me." And that was the end of the conversation, and I reported the facts to you.

Q. Mr. Sadler, I show you Defendant's Exhibit "J", which is a letter dated May 6, 1944, you wrote to Edgar Sadler. The first sentence of the letter is as follows, or the first paragraph: "I have heard that since Alfred's death you have repudiated the trust agreement of March 2, 1918. It is hard for me to believe that that can be true, for we have treated you right in every way." Now to what did you refer by your statement that you had heard since Alfred's death that he had repudiated the trust agreement of March 2, 1918?

A. I referred to a statement that Edgar made in Mr. Kearney's office during my absence in Reno. I returned to San Francisco after my brother's death and Edgar called at Mr. Kearney's office and Mr. Kearney, as I understand, showed him a photostat of the trust agreement. At that time Edgar denied that he had signed the trust agreement.

Mr. Thompson: That's all.

(Short recess.)

MR. CLARENCE SADLER

resumed the witness stand on

Cross-Examination

By Mr. Furrh:

Q. Mr. Sadler, you testified that you heard by way of Mr. [524] Kearney's office that Edgar Sadler had repudiated this alleged trust agreement and that is what prompted you to write this letter of May 6, 1944, which has heretofore been introduced into evidence, marked Defendant's Exhibit "J," is that true? A. Yes.

Q. Is that the first intimation you had that Edgar had repudiated this trust?

A. The agreement itself, yes. Prior to Alfred's death he said I had no interest in the ranch.

Q. Isn't that in effect the same thing?

Mr. Thompson: Objected to as argumentative.

The Court: Objection sustained.

Q. Mr. Sadler, with reference to this visit that Ethel Sadler and her daughter had down at your home during 1930, I believe you testified that she actually stayed at your home? A. Yes.

Q. Did she stay over night?

A. She stayed about a week.

Q. At your home? A. Yes.

Q. Isn't it true that she was staying at her brother's home?

A. Yes, but she came out to our place and stayed about a week.

Q. Had all her meals there?

A. Usually, yes.

(Testimony of Mr. Clarence Sadler.)

Q. You heard Mrs. Ethel Sadler testify that she was staying [525] at her brother's at the time, did you not?

A. She stayed part of the time at her brother's and then she stayed at our place.

Q. But you heard her testimony to the fact that she said she did not stay with you?

A. Let me quote the facts to you. She was staying at her brother's and she called my wife one day and asked if she could come over. My wife said that we were going to Yosemite Valley, I had some business down the valley and was making a trip down in the valley, and Mrs. Beatty, the stenographer in our office, wanted to go along with me and I said she could and when Ethel telephoned, after my wife told her she was going down the valley she asked if she could go along and my wife explained to her that she couldn't because we were taking Mrs. Beatty and Bruce and we had to put him in the back and she said, "Well, I will come over when you return" and she asked my wife the day we were returning and two hours after we returned to Berkeley Ethel came to the house and she stayed there for approximately a week.

Q. Mr. Sadler, in connection with this information you obtained through Mr. Kearney's office, concerning the repudiation of the trust of Edgar Sadler, will you state where you got that information?

A. Well, it was given to me by Mr. Kearney himself and Alfred Sadler and Mrs. Kathryn Powers Sadler and Patricia Sadler. [526]

(Testimony of Mr. Clarence Sadler.)

Q. By what means did they communicate? While you were down in Reno?

A. No, I returned to Reno. I had to go back to San Francisco, make some surveys for the WPB, and I returned later on and they gave me the information.

Q. Just what did they say?

A. They said that Mr. Kearney showed them a copy of it, of the trust, and Mr. Kearney asked him if that was his signature and he said that wasn't his signature, that he had never signed such an agreement.

Q. That was shortly before this letter was written, is that true, the exhibit?

A. Yes, I made several trips up here shortly after my brother's death.

Mr. Furrh: That is all.

Mr. Thompson: That is all. We rest, your Honor.

Mr. Cooke: We would like to call Edgar Sadler for a statement as to what took place in Mr. Kearney's office.

MR. EDGAR SADLER

having been previously sworn, testified as follows:

Direct Examination

By Mr. Cooke:

Q. Mr. Sadler, you heard the testimony of Clarence Sadler in regard to what he states took

(Testimony of Mr. Edgar Sadler.)

place, or what Mr. Kearney stated took place in his office as to the alleged trust agreement?

A. Yes sir, I did. [527]

Q. Were you in Mr. Kearney's office more than once in connection with that matter?

A. Which matter do you mean?

Q. This trust agreement or the claim of Mr. Sadler on this property?

A. Never was in his office on that at all.

Q. In Mr. Kearney's office?

A. No, not on that subject.

Q. On what subject?

A. When we went up to see what Mrs. Alfred Sadler was going to do about a proposition I offered on the ranch.

Q. To take over Alfred's interest in it, is that it?

A. Yes, take Alfred's interest over.

Q. You didn't go up there on anything in regard to Clarence Sadler having any claim?

A. No sir, didn't go up there.

Q. But you did go up there to see about a proposition you previously had with Alfred and at that time was anything said by either you or by Mr. Kearney in regard to the claim of Clarence Sadler?

A. No.

Q. Did Mr. Kearney show you this alleged trust agreement, Exhibit "L" attached to the complaint, marked Exhibit 8 in this case?

A. No, he never showed it to me. [528]

(Testimony of Mr. Edgar Sadler.)

Q. Did he show you any paper purported to be signed by you in which you denied the signature?

A. No sir.

Mr. Cooke: I think that is all.

Cross-Examination

By Mr. Thompson:

Q. Who was present at the time you talked to Mr. Kearney in his office, Mr. Sadler?

A. Well, we were up there twice. My son and myself were up first and then we went up again and Alfred's wife was there and the daughter and the son.

Q. You said that Mr. Kearney didn't show you Exhibit 8. You know what Exhibit 8 is, don't you?

A. Yes, I know what it is.

Q. Did he show you a photostatic copy of it?

A. No sir.

Q. Didn't Mr. Kearney ask you if you had not signed such an agreement?

A. He never asked me anything.

Q. He didn't ask you that?

A. No. In fact, we didn't know anything about that at all.

Q. You heard your son, Reinhold Sadler, testify, did you not, Mr. Sadler? Didn't you hear Reinhold Sadler testify that he had seen a photostatic copy of that agreement in Mr. Kearney's office?

A. I don't think I did. [529]

(Testimony of Mr. Edgar Sadler.)

Q. Were you in Mr. Kearney's office on more than one occasion discussing that matter?

A. Of Alfred Sadler?

Q. Yes. A. Yes, twice.

Q. And were the same parties present on each occasion? A. No.

Q. Who were present the first time?

A. My son.

Mr. Cooke: Which son?

A. Reinhold.

Q. Reinhold and you and Mr. Kearney were present the first time? A. Yes.

Q. And when was that?

A. Oh that was, oh, I don't know, a month or so after Alfred died, somewhere along in there.

Q. When was the second occasion?

A. Well, that was about the same time.

Q. Later than the first conference?

A. A later date.

Q. And at that time Mr. Kearney and you and Reinhold and Mrs. Kathryn Sadler and her daughter Patricia were present is that right?

A. Yes, and the boy, Edward. [530]

Q. Mrs. Kathryn Sadler's son?

A. Yes sir.

Mr. Thompson: That is all.

Mr. Cooke: Defendant rests.

Mr. Thompson: Mrs. Kathryn Sadler, will you take the stand?

MRS. KATHRYN SADLER

having been previously sworn, testified as follows:

Direct Examination

By Mr. Thompson:

Q. Were you present in Mr. Kearney's office in April, 1944? A. Yes, I was.

Q. And who else was present at that time?

A. My daughter Patricia and son Edward and Edgar and Reinhold.

Q. And at that time was Exhibit 8 present in Mr. Kearney's office?

A. I had turned it over to him.

Q. At that time was Exhibit 8 shown to the persons who were present there?

A. I don't remember that it was shown, but Mr. Kearney asked Edgar if he remembered signing any agreement or if he did sign an agreement and he said no, he hadn't signed anything.

Mr. Thompson: That's all.

Mr. Cooke: No cross. [531]

Mr. Thompson: Plaintiff rests, your Honor.

The Court: I think that is all we have at this time.

(The court will be in recess so far as this case is concerned. The case will stand submitted after the briefs have been filed. All witnesses may be excused.)

State of Nevada,
County of Ormsby—ss.

I, Marie D. McIntyre, the duly appointed official court reporter in the United States District Court, in and for the District of Nevada, do hereby certify: That I was present and took verbatim shorthand notes of the proceedings had and the testimony adduced at the trial of the case, entitled, "Clarence T. Sadler, Plaintiff, vs. Edgar A. Sadler, Defendant", No. 371, held at Reno, Nevada, on the 14th, 15th, 16th, 17th, 18th, 21st and 22nd days of October, 1946, and that the foregoing pages, numbered 1 to 532 inclusive, comprising two volumes, constitute a full, true and correct transcript of my said shorthand notes, to the best of my knowledge and ability.

/s/ MARIE D. McINTYRE,
Official Reporter.

[Endorsed]: No. 11715. United States Circuit Court of Appeals for the Ninth Circuit. Edgar A. Sadler, Appellant, vs. Clarence T. Sadler, Appellee. Transcript of Record. Upon Appeal from the District Court of the United States for the District of Nevada.

Filed August 27, 1947.

/s/ PAUL P. O'BRIEN,
Clerk of the United States Circuit Court of Appeals
for the Ninth Circuit.

In the United States Circuit Court of Appeals
for the Ninth Circuit

No. 11715

EDGAR A. SADLER,

Defendant and Appellant,

vs.

CLARENCE T. SADLER,

Plaintiff and Respondent.

ADOPTION OF POINTS ON WHICH APPELLANT
WILL RELY ON APPEAL

To: The Clerk of the above-entitled Court;

Clarence T. Sadler, plaintiff and Respondent,
Springmeyer & Thompson, Esqrs., attorneys
for said plaintiff and respondent:

Pursuant to the provisions of Subdiv. 6 of Rule 19 of Rules of Practice of the above-entitled court, the appellant hereby adopts as his statement of the Points on which he intends to rely on the appeal, the Statement of Points appearing in the Transcript of the Record, and the Record as certified by the Clerk of the trial court be printed in its entirety.

Respectfully submitted,

/s/ H. R. COOKE,

/s/ JOHN D. FURRH, Jr.,

Attorneys for Appellant.

Dated: September 5, 1947.

Service, by copy, of the foregoing Adoption admitted this 5th day of September, 1947.

/s/ SPRINGMEYER & THOMPSON,
Attorneys for Plaintiff and
Respondent.

[Endorsed]: Filed Sept. 6, 1947.

